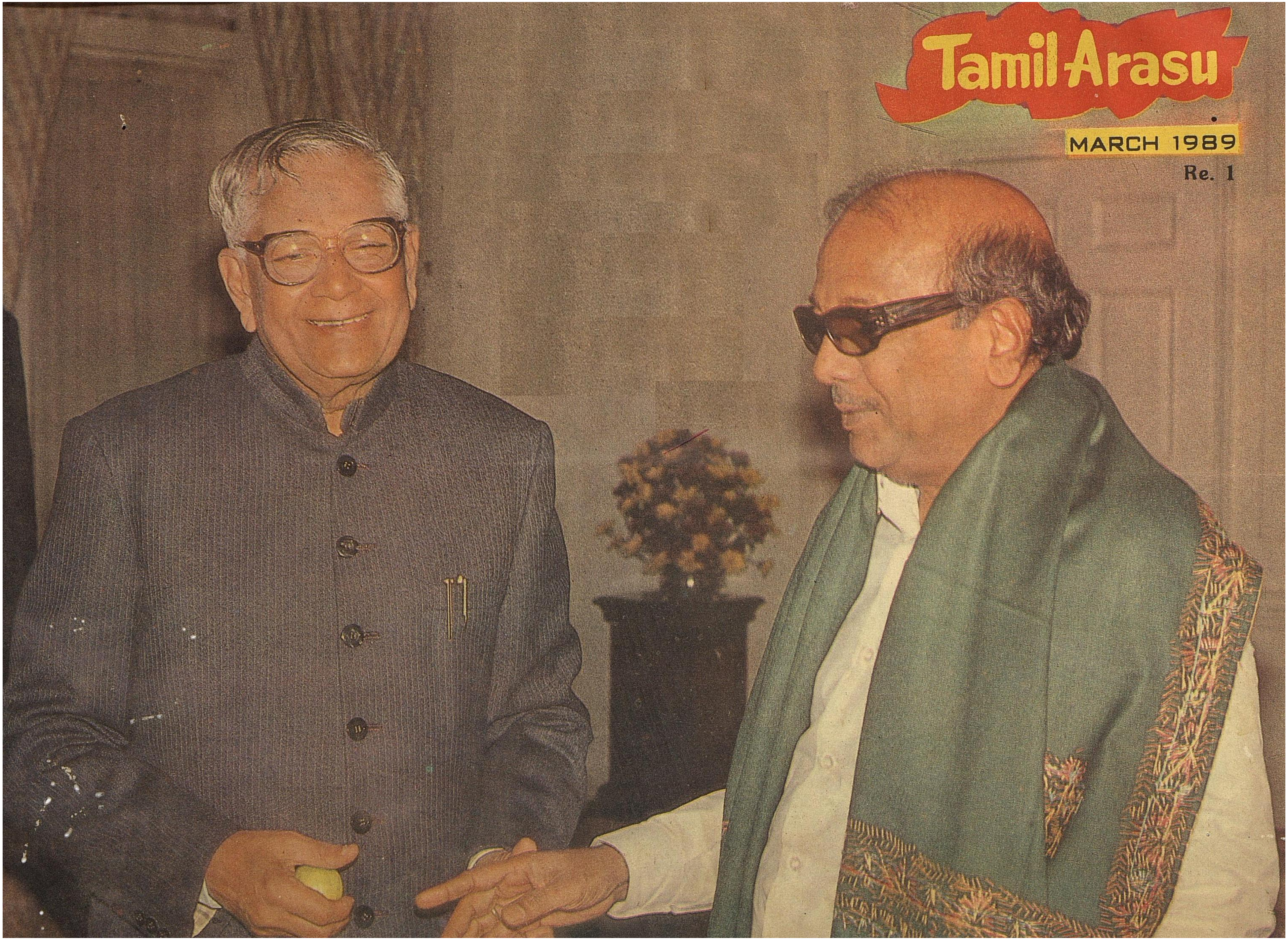
Tamil Arasu
MARCH 1989
Re. 1

Hon'ble Chief Minister of Tamil Nadu Dr. M, Karunanidhi called on the Hon'ble Prime Minister Thiru. Rajiv Gandhi, in New Delhi on 9th February 1989. Thiru Murasoli Maran, M.P., was present on the occasion.

TAMIL ARASU

A Monthly Journal of the Government of Tamil Nadu

Thiruvalluvar Year 2020

March 1989

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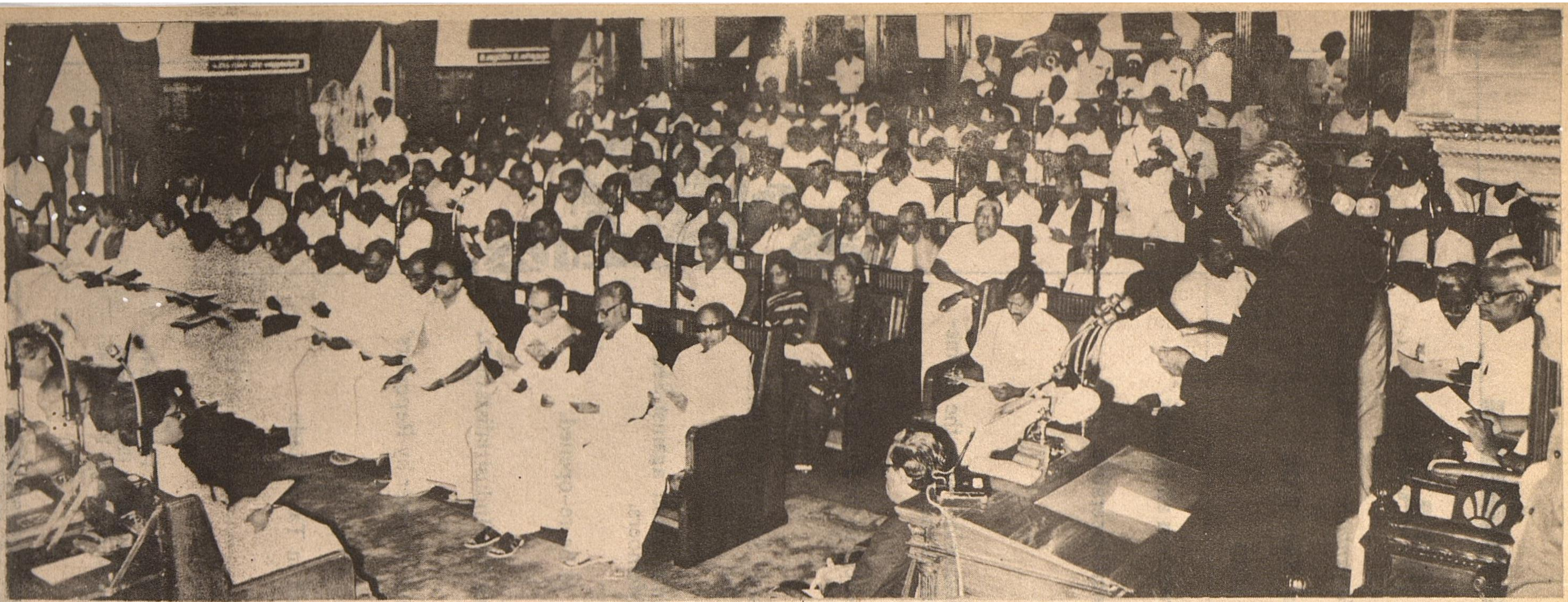
Hon'ble Chief Minister of Tamil Nadu Dr. M. Karunanidhi, called on His Excellency the President of India Thiru R. Venkataraman on 9.2.'89 in New Delhi during his visit to New Delhi.



Acceleration of growth in all spheres

His Excellency
Dr. P.C. ALEXANDER
The Governor of Tamil Nadu

Honourable Members of the Legislative Assembly,

It is my pleasant privilege to welcome you all, Members of this august Assembly who, in accordance with the democratic principle, the voice of the people is in good measure the voice of God, have assembled here with the massive mandate of the people of Tamil Nadu. To those Members of the Legislature who have been re-elected, I extend my felicitations. To many others who have been newly elected, I specially extend my best wishes. I have every hope that you will endeavour through your deliberations in the House to work for the betterment of the people of the State.

2. The year-long President's rule in the State has been revoked and a democratically elected Government has assumed office after truly epoch making elections. Eschewing violence, the peaceful turnout of voters in these elections has demonstrated the sense of responsibility among the political parties, the devotion to duty of Government servants and the enlightened political maturity of the electorate. These elections provide ample proof that the people of Tamil

Nadu will extend their fullest support to this Government upholding the democratic traditions of the State.

3. It is the unshakable belief of this Government that the unity and integrity of our pluralistic society comprising different races, languages, diverse arts and cultures, can be safeguarded only by a truly federal polity anchored in the bedrock of State autonomy. It is our desire that this thought process should culminate in constitutional safeguards. It will be the endeavour of this Government to seek the realisation of this goal with the support of all like-minded organizations.

4. It has been our consistent stand that all the 15 national languages which find place in the Eighth Schedule of the Constitution should be the official languages. Until this is done this Government will reiterate in every forum that English should be retained as the official language. At the same time, this Government will not hesitate to oppose any effort to impose Hindi against the wishes of the people of Tamil Nadu.

5. This Government has assumed office when serious economic problems, not to mention other serious issues, confront the State. This Government will seek to make immediate structural changes to enable the allround development of the State.

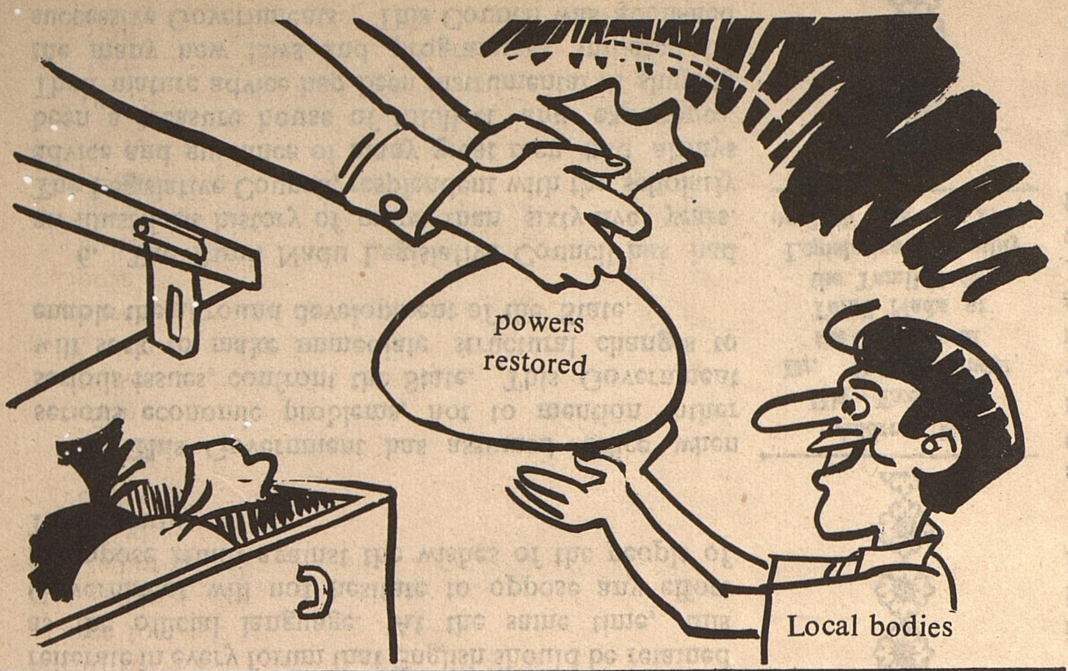
6. The Tamil Nadu Legislative Council has had an illustrious history of more than sixty-five years. The Legislative Council, resplendent with the scholarly advice and guidance of many great men, had always been a treasure house of intellect and experience. Their mature advice had been instrumental in shaping the many new laws and programmes initiated by successive Governments. This Council was abolished in 1986. Legislation will be immediately introduced in this House to revive the prestigious and historic Legislative Council.

- **30% of job opportunities for women.**
- **Local bodies to administer noon meal scheme.**
- **Industrial growth to be revitalised.**
- **Legislative council to be revived.**
- **Temporary part-time employees of local bodies made permanent part-time employees**
- **Tenure of local bodies to be extended.**
- **Corporation election soon**
- **More powers for local bodies.**

Address By His Excellency Dr. P.C.Alexander, the Governor of Tamil Nadu at the Tamil Nadu Legislative Assembly on 11th February 1989.

7. The participation of local bodies in the development process has declined with their atrophy. This Government will proceed to undertake wide ranging reforms to create a new environment to enable the vibrant growth of local bodies. Legislation will be introduced to extend the term of office of the Chairmen and Councillors of Municipalities, Presidents and Members of Village Panchayats as also the Chairmen of Panchayat Unions from three years to five years.

8. The Municipal Corporations of Madras, Madurai and Coimbatore have been functioning without elected bodies. Although the Corporation Acts had been amended even in 1980 to provide for voting rights to those above eighteen years of age,



electoral rolls have not as yet been prepared on this basis. It is necessary to hold elections to these Corporations at the earliest, viz., in April to provide ample opportunities to the people to represent their grievances and have them redressed speedily. Legislation will be introduced to retain temporarily the voting age as twenty-one years so that the elections can be held immediately as planned based on the electoral rolls as on 1st January 1989.

9. This Government stands firmly committed to the full involvement of local bodies in the development process. There has been a tremendous erosion in the responsibilities and authority of these bodies. Besides restoring these powers, it will be the immediate effort of the Government to enlarge their role in the development thrusts. Early decisions will be taken to provide for this path breaking effort.

10. Elections to Co-operatives have not been held for several years. Last year elections were postponed after an announcement was made. Elections to different tiers of Co-operatives will be held at the earliest to re-establish a strong co-operative movement in Tamil Nadu.

11. The disarray in village administration brought about by certain changes in the past few years and the difficulties experienced by people in the rural areas has blunted the cutting edge of the administration. It will be the effort of the Government to re-organise the village administration, assimilating the best features of the earlier system and the changes brought about more recently.

12. People have pointed out several deficiencies in the implementation of the Tamil Nadu Government Nutritious Meal Programme implemented with an enormous outlay. These deficiencies will be removed and the programme modified to make it truly effective. Necessary powers and funds will be given to local bodies to undertake this programme and provide direct supervision with the objective of ensuring that the goals are fully achieved.

13. More than two lakh employees involved in this programme have so far remained as temporary part-time workers. Although their work will continue to be part-time, they will be made permanent part-time employees of the respective local bodies.

14. Legislation to get over certain practical difficulties relating to the enforcement of prohibition will be introduced as also to ensure the early disposal of more than 6 lakh cases pending in Courts.

15. In the past, the rules under the Prohibition Act have been changed several times conferring several benefits to the distillers. This has resulted in heavy loss to the exchequer running to several crores of rupees, legitimately due to the State. The

Government intends to bring forward legislation in this session as also amendments to the rules to prevent loss and to augment the revenue.

16. While the south-west monsoon has been good, the north-east monsoon which is so important for the State's crop prospects has belied expectations. Honourable Members are aware that the short-term kuruvai crop was affected. In several districts the samba crop has also been affected. It is now clear that unlike the rest of the country, Tamil Nadu might at best register agricultural production levels only slightly higher than those reached in 1987-88, which was a drought year. Thanks to the release of some water in the Cauvery by the Karnataka Government, there are hopes of salvaging the crops in the tail end of the Thanjavur delta. Given the excellent agricultural production in the rest of the country this year, the Government has requested the Centre not to reduce the monthly allotment of 80,000 tonnes of rice to the State. The Centre needs to recognise this urgent need of the State and ensure that the requirements of the State are met in full to enable the public distribution system to function effectively.

17. Accelerated industrial growth is vital for the State's economy. There is immediate need to revitalise industrial growth in the State creating a new climate. This would have to include several measures including assured power supply. Detailed proposals will be drawn up. The problem of sickness in industry has to be tackled immediately. It is proposed to undertake a detailed analysis of this problem to enable revival of these industries to the extent feasible.

18. Tamil Nadu occupied the fifth place in terms of Central investment in the State in 1975-76. Central investment in the State has not kept pace with the result that the State has slipped in 1986-87 to the tenth place. The Government would continue to press for a greater share of Central investment in the State as a catalyst to rapid industrial growth.

19. Certain directions that the Centre has been pursuing have curtailed the resource base of the States. It is only natural that the States, fully responsive to the needs and aspirations of their people, feel disappointed if financial stringency stands in the way. The Government of Tamil Nadu as also other States have been representing before several Finance Commissions the inequities in resource transfers and other related issues. This stand will be reiterated when the Ninth Finance Commission visits the State this month besides highlighting the various demands of the State.

20. The State is at present in the midst of a severe financial crisis. We used to be proud that Tamil

Nadu would always perform a Plan higher than the approved outlay. It has now become inevitable that the unattainable approved plan outlay of Rs. 1,457 crores is reduced.

21. Besides taking immediate measures to improve the finances of the State, policies to encourage economic growth have to be drawn up. The people of the State have great expectations from this Government. Their hopes and aspirations have to be met. The Government is fully conscious of the need to draw up the Plan for the coming year to reflect these priorities. It will be a Plan that meets the priorities shown by the people. It will also be a Plan that will be performed.

22. The Plan will seek to step up both agricultural growth and industrial production thus providing increased job opportunities.

23. "We see God in the smile of the poor" so said Arignar Anna. This Government will implement many welfare measures to bring cheer to the deprived and the downtrodden.

24. In pursuance of the assurances given, the Government stands committed to implement welfare programmes and legislative measures to benefit most backward classes, Adi-dravidars, backward classes and others. The detailed proposals will be placed before this House and will also be outlined through the Budget Estimates.

25. The Government stands committed to enhance the status of women in society. The Government have decided to reserve 30 per cent of job opportunities arising in the various departments, local bodies, public sector undertakings, etc., for women. These will be filled up by following the usual communal rotation. As it is well recognised

that women teachers are particularly well suited for teaching in Standards I and II, all future vacancies will be filled up by appointing only women teachers. It is also proposed to draw comprehensive programmes for the improvement of the status of women in our society.

26. The present financial crisis can be attributed to the failure to raise additional resources without affecting the poor and failure to strengthen the resource base. Measures will be taken immediately to improve the resources position of the State. These efforts will be so designed as not to cast burden on the poor classes. Economy, efficiency and prudent financial management would be the watchword of the Government. With the objective of ensuring that every rupee from the exchequer is well spent for the

welfare of the public, unnecessary schemes will be dropped, beneficial schemes and programmes will be further improved and new schemes with an accent on efficiency will be introduced.

27. The administrative machinery will be geared to ensure the prompt implementation of new legislation enacted by the Hon'ble Members and the plans and programmes drawn up by the Government. Decentralisation of powers will revitalise the administration from the top to the cutting edge resulting in speedy implementation of decisions, plans and programmes.

28. The unstinted co-operation of Government employees, teachers and local body employees is a must for the sustained implementation and qualitative upgradation of plans and programmes. A Pay Commission has been constituted to go into their demands. On receipt of its report, careful consideration will be given to its recommendations and necessary orders issued.

29. You have a great opportunity to serve the people and the nation in your role as Legislators. The essence of democracy lies in the interaction of ideas. I have every reason to believe that in discussions, you will uphold the highest traditions of this House, heat giving place to light and conducting yourselves imbued with the high ideals of duty, dignity and devotion, earning the appreciation of the entire country.

Vanakkam

30 Percent Reservation for women in Government service

The Tamil Nadu Govenment has issued an order reserving 30 percent of all future vacancies in Government department, State undertakings/corporations, societies and local bodies which are to be filled through direct recruitment, to be set apart for women.

This will apply irrespective of the fact whether the rule of reservation applies to the post or not in respect of posts for which the rule of reservation applies, 30 per cent of the vacancies shall be set apart for women candidates following the existing reservation for SC and ST, Backward Classes and Open competition.

Women will also be entitled to compete for the remaining 70 per cent vacancies along with men candidates.

If a qualified and suitable women candidate belonging to SC/ST or Backward classes or open competition is not available for selection in the turn allotted for them in cycle, the turn so allotted shall go to the male candidate within the respective category. In the posts to which the rule of reservation does not apply the turn so allotted shall go to the next male candidates. This order has taken immediate effect.

AN INTER-STATE COUNCIL IMPERATIVE

Dr. M. KARUNANIDHI
Chief Minister of Tamil Nadu

Honourable Prime Minister, Honourable Chief Ministers, Honourable Central Ministers, Friends and Comrades,

I have had the opportunity to participate in Conferences of Chief Ministers on many occasions in the past although on this particular occasion I am one of the new comers to this assembly. It is my privilage, at the outset, to offer our greetings and good wishes to the Prime Minister, Chief Ministers from other States, the Union Finance Minister and other Central Ministers.

There are as many as 11 items in the agenda for the Conference. In my opening remarks, I propose to briefly state the position of my Government with respect to all of them. To the extent necessary, our representatives will elaborate our stands during the proceedings. I shall also take this opportunity to make a few broad observations on the overall frame work of Centre-State financial relations within which, in our view, specific issues such as those included in the agenda have to be considered.

The first item relates to the consignment tax. The 46th amendment of the Constitution was enacted as far back 1982 in order to enable the levy of tax on inter-State consignment of goods. The implementation of the consignment tax is long overdue and we strongly urge that it should be proceeded with expeditiously. The consignment tax became necessary in order to plug the large scale avoidance of Central Sales Tax which is leviable on the inter-State transfer of goods. In as much as the consignment tax is a complement to the Central Sales-Tax, it is logical that the rate of the consignment tax, the sharing of its proceeds, and the arrangements for extending exemptions should all be the same as what obtains in the case of the Central Sales-Tax. If this straight forward principle is accepted, there should be no need to reopen each one of these issues and to delay decisions on the introduction of the consignment tax.

I shall now turn to the second item in the agenda which relates to the proposal to extend the levy of additional duties of excise to a further list of commodities such as vanaspathi, drugs and medicines, cement, paper and paper board and petroleum products. We are firmly opposed to this proposal.

As all of us are aware, the National Development Council had resolved even when the present scheme covering tobacco, sugar and textiles was introduced, that the centre should maintain a ratio of 2:1 between the yields from the basic including special duties on one hand and additional excise duties on the other. The National Development Council had also resolved that the incidence of additional excise duties should be raised to 10.8% as a percentage of the value of clearances. These ratios are yet to be achieved, although the present scheme has been in existence for more than three decades. This is a reflection on the Centre's lack of concern for meeting the reasonable demands of the States which had been agreed to several years ago in the highest forum of the Centre and the States.

Accordingly, both on grounds of principle and on the basis of past experience, I would reiterate that our Government is firmly opposed to any extension of additional excise duties in replacement of sales-tax. I would also like to point out that even when this scheme was first proposed in 1957-58, the then Government of Tamil Nadu was opposed to it. It is a matter of interest that that Government was not a Non-Congress Government. The then Chief Minister of our State was none other than Thiru K. Kamaraj.

The problem of rate-war between States in sales-tax as has been discussed in several inter-State meetings and there has been a progressive effort to harmonise sales-tax rates. The problem particularly arises in Union Territories which seek to divert trade from neighbouring major States. We would urge the Centre to use their influence on Union Territories to avoid a competitive reduction of rates which only reduces the overall availability of resources to the nation as a whole. This can be done if the Centre can suitably augment the resources of Union territories while persuading them to maintain comparable tax rates with the neighbouring States. We do not however see any needs to set up a Central Sales Tax Tribunal which will intervene in the rates fixed by different States and we will not accept any such infringement of the powers of the State Governments.

The other items in the agenda do not raise any major issues of policy.

We support the suggestion that the Railways should obtain a clearance from sales-tax authorities before effecting deliveries and we are willing to co-operate with them in devising simple and speedy procedures in this matter.

ADDRESS AT THE TWO-DAY CONFERENCE OF CHIEF MINISTERS HELD ON 9TH AND 10TH FEBRUARY 1989 IN NEW DELHI.

We are as much interested as the Centre in the timely implementation of externally-aided projects. But these projects in general involve a large financial burden on State budgets. We would urge the Centre in this context to pass on 100 per cent of the rupee equivalent of the credit amount to the States on the same terms on which the external aid is received by them.

We shall co-operate in providing facilities for the opening of bank branches as per Reserve Bank of India guidelines and we shall examine the extent to which it might be feasible for the State Government to help the Banks in loan recovery. We agree also that State Financial Corporations and State Industries Development Corporations should be provided with adequate resources and should be run on sound professional lines. As one of our acts of our new Government, I have announced that such bodies will not be headed by political appointees.

We welcome the initiative that the Central Government has taken to introduce the Group Insurance Scheme for landless labourers and the Hut Insurance Scheme for poor families in rural areas. While extending our co-operation to implement these schemes, I would like to point out that the benefit of Rs. 1000 provided in the Group Insurance Scheme for landless agricultural labourers is far from adequate. This amount may not be sufficient even to meet immediate funeral expenses while what is required is to provide a quantum of survivor benefit that will help the bereaved family to resettle itself after the death of the bread-winner. I would therefore urge the Central Government to enhance the benefit to a higher amount which is not less than Rs. 3,000.

The last item in the agenda relates to the recovery of overdues from the State Electricity Boards to Central undertakings such as Coal India, N.T.P.C. and BHEL. The underlying reason for the existence of large arrears in so many Electricity Boards is the severe resource crunch that they face. Basically, this is due to two factors. The first is inadequate financial assistance from the Centre to the States, including the severely limited extent to which States and Electricity Boards are allowed to make open market borrowings. In this context, we fully endorse the recommendation made in the recent Calcutta Conference of Six Chief Ministers for the setting up of a National Credit Council which will decide on an equitable share for the States in credit mobilisation. The second basic reason for the poor financial situation of Electricity Boards lies in successive increases to administered prices by the Centre on inputs costs of coal, oil, railway freight, generation and transmission equipment and so on. Unless we are prepared to go into these issues, it is not possible to restore Electricity Boards to sound financial health.

The suggestion has been made in the agenda note that State Electricity Board overdues could be deducted from Central assistance to States. This is totally unacceptable and any such idea should be abandoned forthwith. Central assistance to States is our legitimate entitlement in national resources. In no way-legal, moral or logical should it be linked to contractual dues which are owed by one commercial undertaking to another.

I shall conclude with some general observations which are relevant to the issues that have come up before this Conference. Issues in Centre-State financial relationships whether they relate to taxation or the strengthening and expansion of the banking net work or social security or commercial transactions—all require constant and intensive consultation.

Major policy issues cannot be combined with routine administrative matters and brought up at long intervals and in a piece-meal fashion to Chief Ministers' Conferences. To do this amounts to maintaining an appea-

rance of consultation while what is necessary is to create structures for a genuine co-ordination of policies between the Centre and the States and between the States themselves.

Recognising this need, the founding fathers of Our Constitution envisaged a mechanism for Centre-State and inter-State consultation in Article 263 of the Constitution. The Commission on Centre-State relations has also recently gone into this matter and have strongly recommended the establishment of an Inter-State Council under Article 263. This is not the occasion for us to go into the details of the recommendations of the Commission in regard to the scope of the Council or its procedures and organisation. What is important is to affirm that the constitution of such a body can no longer be postponed. The Commission itself has underlined the basic reason why the establishment of an Inter-State Council has gained urgency. As pointed out in para 9.1.07 of the report :

> There is another historical factor which underscores the urgency of setting up an all-embracing Inter-State Council. Before 1967, it was easier to resolve differences or problems that arose between the Union and States, at the party level, because the same party was in power in the Union and the States. Since 1967, parties or coalitions of parties other than the one running the Government at the Union, have been in power in several States. These State Governments of diverse hues have different views on regional and inter-State problems. In such a situation, the setting up of a standing Inter-State Council with a comprehensive charter under Article 263 has become an imperative necessity.

I would conclude by suggesting that this Conference should accept in principle the simple and straight forward proposal that an Inter-State Council under Article 263 should be formed and that the details relating to its scope, procedure and organisation should be discussed by a special meeting of State Chief Ministers and the Prime Minister. Such a meeting could also usefully discuss how the other Major recommendations of the Commission on Centre-State Relations could be implemented with such modifications as may be required in the light of the views of the Centre and the States.

We come from different parts of this vast sub-continent with its great diversity of culture, languages, resource endowments, and levels of development. Despite this diversity, we are all wedded to the unity and integrity of our motherland.

We share a great pride in its glorious past as well as a great responsibility towards building a bright future for our people. This task can be achieved only if all the constituents of the Union, whether it is the Centre or each one of the 25 States of India, pull together.

Much has been said and is being repeated about so-called separatist tendencies among States. It is equally important to ensure that the Centre does not separate from the States in its thinking or actions. The situation we face to-day in the Indian federation is not so much of the wheel tending to get loose from the axle but of the axle parting from the wheel. This situation will have to be averted and that can be done only if there is an urgent, serious and purposeful consultation on Centre-State relations as a whole in their legislative, administrative and financial aspects at the highest political level. Let us hope that the next Conference of Chief Ministers will be devoted to this end.

Thank you.

UGC PAY SCALES FOR COLLEGE AND UNIVERSITY TEACHERS

The U.G.C. pay scales will be paid to all College and University teachers from 1st February 1989. A decision will be taken later to pay the arrears. The February salary payable in March to all College & University teachers, therefore, will be the U.G.C. recommended pay scales This was disclosed by the Hon'ble Education Minister Thiru K.Anbazhagan, to Pressmen on 1st February 1989. The new Government, after assuming office, has issued orders to this effect.

NINTH ASSEMBLY

The senior most member of the previous Assemblies Thiru K.Ramani belonging to the CPI-M has been sworn-in by His Excellency the Governor of Tamil Nadu Dr. P.C. Alexander as a member of the House and protem Speaker on 1st Februaiy 1989.

Two hundred and twenty eight mebers who have been elected to the Ninth Tamil Nadu Assembly took the oath or affirmation in the presence of the protem Speaker, Thiru K. Ramani, in the House on 6th February 1989. The nominated member also took the oath.

The ceremony went on for about 195 minutes and the members including the Chief Minister, Dr.M. Karunanidhi were in their respective seats till the end.

At 10 A.M the Assembly began its proceedings, with the Chair calling upon the members to take the oath, and explaining the procedure.

The first person to make the affirmation was the Chief Minister Dr. M.Karunanidhi followed by other Ministers, the leader of the AIADMK (JL) Selvi J.Jayalalitha and the Congress(I) leader Thiru G. Karuppiah Moopanar, the former Speaker, Thiru P.H. Pandian and others. Three members were absent on that day.

After taking the oath or affirmation the members shook hands with the Speaker and signed the Roll of Members.

NEW SPEAKER TO THE NINTH TAMIL NADU ASSEMBLY

Dr. M. Sathiah alias Tamilkudimagan, belonging to the DMK was declared elected unopposed as the Speaker of the Tamil Nadu Assembly by the Protem Speaker Thiru K.Ramani in the House. Thiru P. Duraisamy also of the DMK was elected unopposed as the Deputy Speaker.

The New Speaker Dr. Tamilkudimagan took charge of his post on 8th February 1989 after his unanimous election to the post of Speaker. After assuming office he said that he will uphold democratic traditions and show reverence tothe institution of legislature.

The protem Speaker, Thiru K. Ramani announced that Thiru Tamilkudimagan has been elected as Speaker of the Ninth Tamil Nadu Assembly. After the announcement he stepped down for him to assume the Speaker's chair . The new speaker was led to his chair, as per convention, by leader of the house and Minister for Education. Thiru K. Anbazhagan and leader of the opposition party Selvi J. Jayalalitha.

Then the new speaker announced the unanimous election of Thiru P. Duraisamy as the Deputy Speaker.

Felicitating the new Speaker and Deputy Speaker, Hon'ble the Chief

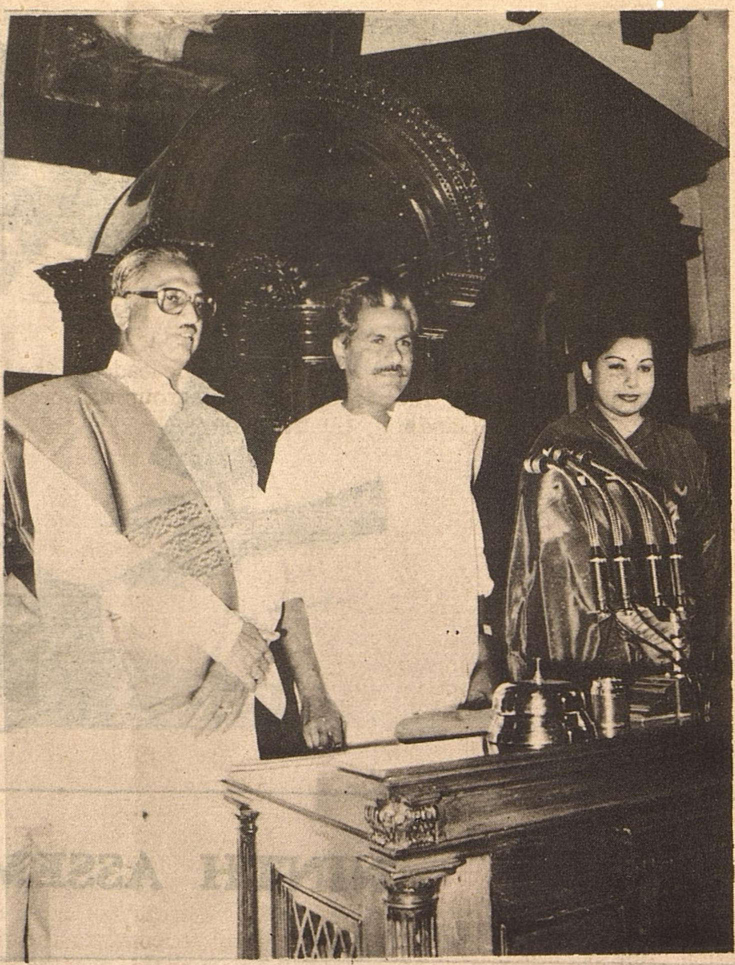
Minister Dr.M.Karunanidhi said that he had full confidence on Dr. Thamilkudimagan, who would uphold the traditions of the Tamil Nadu Assembly. This Assembly had a great heritage and narrated the great history from its early days.

The Chief Minister appealed to the Speaker to act impartially and even if any rulling party members went wrong he should deal with them firmly.

Thiru Hon'ble Minister for Education K. Anbazhagan said that the new Speaker's vast experience as a mediator in literary debates would help him in good stead in conducting the House in an impartial manner.

Selvi Jayalalitha leader of the opposition party pointed out that there had been sc many wrongs happened in the assembly and therefore, urged the Speaker to take and follow only the good precedents. He, as the Speaker of the House would help prevent recurrence of such unseemly incidents that had taken place in the past.

Congress(I) leader Thiru G. Karuppiah Moopanar assured that his party would extend its full cooperation for the smooth functioning of the House.



Replying to the felicitations, Dr. Tamilkudimagan, said that he would uphold not only the democratic traditions but also the cultural heritage of the Tamils, the Dravidians and the country. He appealed to the members to co-operate with him in maintaining the decorum of the house.

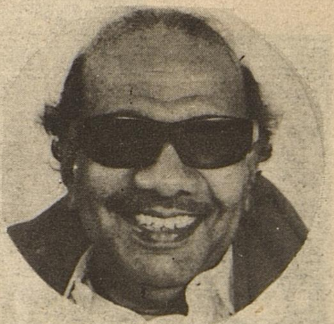
Those who felicitated him mentioned that his experience as the principal of a college would help him to discharge his duties properly.

Thiru P. Duraisamy Deputy Speaker was also felicitated on the occasion.

QUICK DISPOSAL OF CASES

6 lakhs and 41 thousand cases relating to prohibition are pending in the courts of Tamil Nadu. The Tamil Nadu Government have taken nceessary steps to dispose of these cases quickly. The High Court of Madras has been instructed to give its suggestions as to how these cases, pending for years together can be disposed of? At present there are 25 judges posts in the High Court. The Government is actively considering to raise the strength of judges from 25 to 32. The above facts are disclosed to pressmen by the Hon'ble Law Minister Thiru S.J.Sadiq Pasha on 3.2.'89.

Chief Minister's discussion with the Prime Minister on the needs of the State



The Tamil Nadu Chief Minister, Dr.M.Karunanidhi, called on the Prime Minister, Thiru Rajiv Gandhi on 10th February 1989, and had discussion with him on the Indo-Sri Lanka Agreement and the latest devolopments in Sri Lanka. In his second meeting with the Prime Minister during his visit to New Delhi, he tried to explore the possibilities of ending violence and restoring peace in Sri Lanka. He also said that further discussions will be held ater the parliamentary elections in Sri Lanka.

Thiru Natwar Singh, Minister of State for External Affairs briefed on the subject relating to Sri Lanka to the Chief Minister before he met the Prime Minister. The reporters later met him to know the details of the discussion. But he instructed the Chief Secretary to Tamil Nadu Government to read out a brief statement.

"The Chief Minister met the Prime Minister on February 9 and 10 and the subjects discussed were the Indo-Sri Lanka Agreement and the latest developments in Sri Lanka. Further discussions will be held, after the parliamentary election in Sri Lanka. to explore the possibilities of ending violence and restoring full harmony and peace."

The Chief Minister declined to disclose anything more. Both he and the Prime Minister had agreed onthe statement.

The Chief Minister also said that there was no proposal at present to meet representatives of various Tamil groups in Sri Lanka.

The Chief Minister met the Prime Minister alone first, and Thiru Natwar Singh, Minister for External Affairs and other officials joined the discussion later. Thiru Murasoli Maran, M.P., the leader of the DMK Parliamentary group was present on the occasion.

The Chief Minister, Dr.M.Karunanidhi, returned to Madras on 10th February, 1989. He said that he had explained to the Prime Minister about the need for financial assistance to meet the State's ways and means position and increased allotment of rice from the Central pool for Tamil Nadu.

An assistance of Rs. 200 crores had been sought for and the Chief Minister drew the Prime Minister's attention to the fact that even during the President's rule, the Governor had asked for Rs. 150 crores. Therefore it was the duty of the Central Government to come to the rescue of Tamil Nadu to tide over the present financial constraints that arose during the President's rule.

The Chief Minister said that he also insisted the Prime Minister to restore the quota of 80,000 tonnes of rice to Tamil Nadu.

The Chief Minister said further, after studying the Prime Minister's reaction, he was hopeful that his requests would be complied with.

Regarding the Telugu Ganga project the Chief Minister said that he spoke to the Andhra Pradesh Chief Minister, Thiru N. T. Rama Rao, while he was in Delhi. He and Thiru N.T.Rama Rao along with the officials of the two states would meet shortly to sort out the problems on the Telugu Ganga Project, to bring the Krishna water to Madras.

The Chief Minister also had a meeting with the Karnataka Chief Minister, Thiru S.R.Bommai, to discuss the Cauvery waters issue. Both of them agreed to convene a meeting of the Chief Ministers of Tamil Nadu, Karnataka, Kerala, and Pondicherry soon to discuss the issue. A convenient date would be fixed in consultation with the Chief Ministers and the meeting was likely to be held in Bangalore.

The Chief Minister, apart from discussing the Sri Lanka Tamils' issue, handed over to the Prime Minister a statement containing the various development needs of the State.

One of the items mentioned therein was that Tamil Nadu should get royalty for the lignites mine at Neyveli and the royalty payable to Tamil Nadu, from 1956 would run to more than Rs. 100 crores.

The other needs of the State, listed in the statement are a 'project for the manufacture of cine colour film by Hindustan Photo Films at Ooty, a unit for the manufacture of video casette players and recorders and implementation of the second phase of the project for the manufacture of electronic telephone exchange by the ITI. It also pleaded for increased allotment for the implementation of the Mass Rapid Transit System for Madras with the Government of India bearing the entire expenditure.

With regard to the power front, the statement urged the setting up of a thermal station by the Tamil Nadu Electricity Board utilising the lignite from the third mine cut at Neyveli and a 196 MW gas turbine unit at Cuddalore utilising the gas supplied by the ONGC. Coal linkage for the proposed thermal stations at Cuddalore and North Madras as also clearance for the Cauvery Delta modernisation project. Phase 1 and improvement of the road from Cuddalore to Kanyakumari were also insisted.

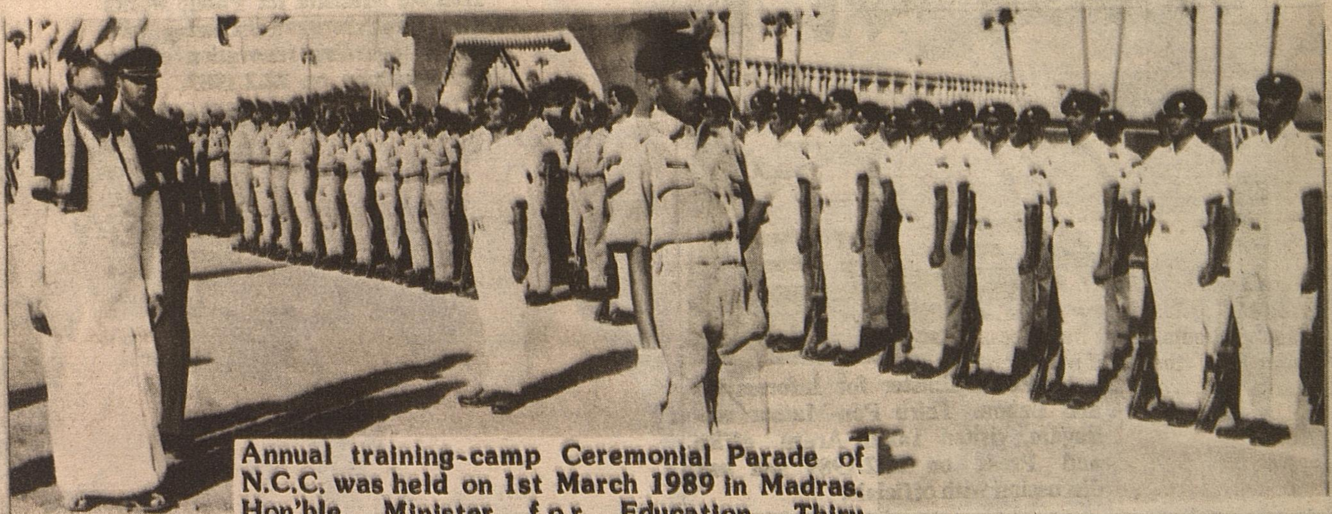
NEWS IN PICTURES

Thiru Robert Houliston, Head of the Diplomatic mission of the European Economic Community (EEC) and other members of his team called on Hon'ble Chief Minister of Tamil Nadu Dr.M.Karunanidhi, in Madras on 22.2.1989.

Hon'ble Chief Minister Dr. M.Karunanidhi visited the Handicrafts Exhibition held in Madras on 1.3.1989. Hon'ble Minister for Social Welfare Tmt. Subbulakshmi Jagadeesan accompanied the Chief Minister.

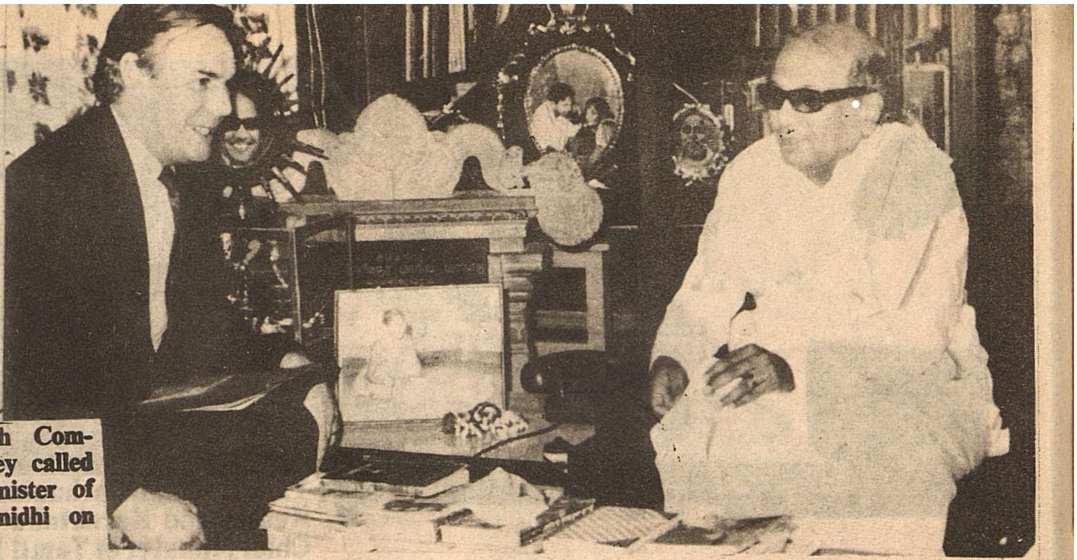
The 9th Finance Commission headed by Thiru N.K.P. Salve M.P. was received at Madras Airport by Hon'ble Minister for Revenue Thiru Nanjil K.Manoharan and Hon'ble Minister for Health Dr.Ponmudi on 23.2.1989.

Thiru Pushpinderkumar, G. O. C., Tamil Nadu, Kerala and Karnataka called on the Hon'ble Chief Minister of Tamil Nadu, Dr.M.Karunanidhi on 27.2.1989 at Secretariat. Thiru K. A. Sundaram, I.A.S., Secretary to the Chief Minister was present on the occasion.



Annual training-camp Ceremonial Parade of N.C.C. was held on 1st March 1989 in Madras. Hon'ble Minister for Education Thiru K. Anbazhagan, participated and inspected the Guard of honour.

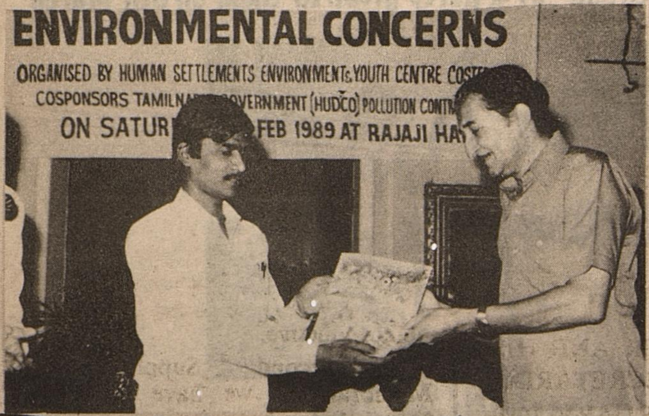
Hon'ble Minister for Hindu Religious and Charitable Endowments Thiru K.P. Kandasamy with the U.K. Tour Operators-"Study Tour Group" at a party given to them on 5th March 1989.



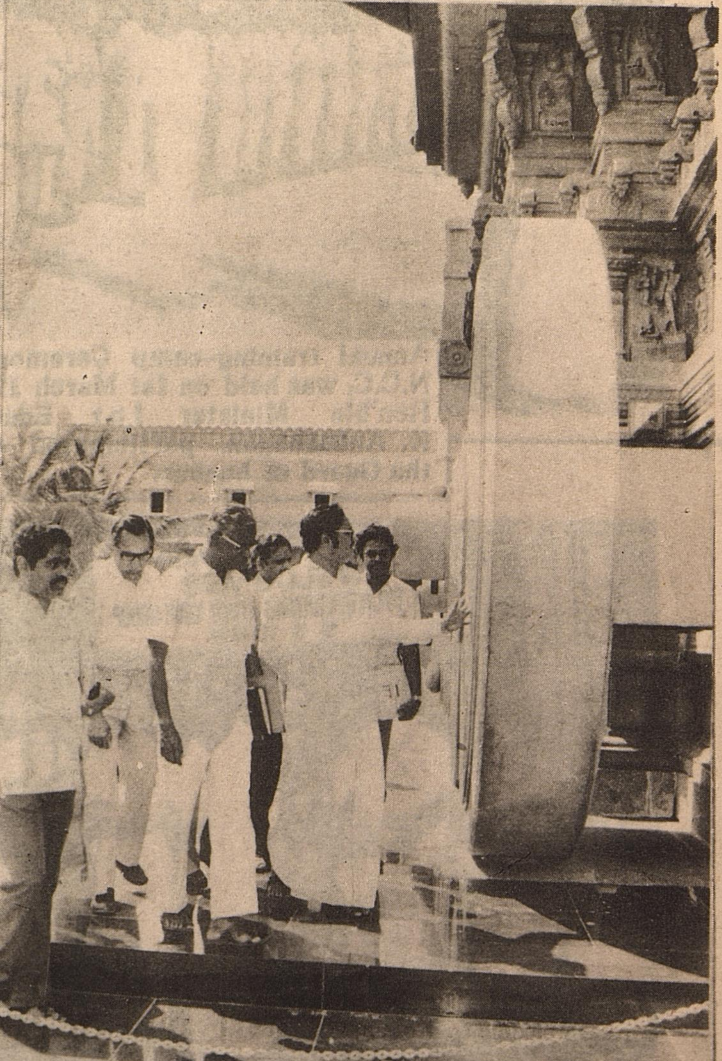
The British Deputy High Commissioner Thiru A.B.N.Morey called on the Hon'ble Chief Minister of Tamil Nadu Dr.M.Karunanidhi on 28.2.1989 in Madras.

Hon'ble Minister for Information and Labour Thiru Pon-Muthuramalingam, visited Tamil Arasu office and Press on 21.2.1989 and had discussion with officials.

Hon'ble Minister for Handloom Thiru S.Thangavel inaugurated the Seminar on "Environmental Concern" at Rajaji Hall on 25.2.1989 and released a Souvenir.



Hon'ble Minister for Public works Thiru Durai Murugan discussing with officials regarding renovation of the Valluvarkottam on 22.2.1989.



Chief Minister's address to the Finance Commission

Thiru Salve, Dr. Chelliah, Justice Qureshi, Thiru Mahesh Prasad, and officials of the Finance Commission,

On behalf of my Cabinet colleagues and our officials, I extend a cordial welcome to each one of you.

THE NINTH FINANCE COMMISSION HELD DISCUSSIONS WITH THE HON'BLE CHIEF MINISTER AND HIS CABINET AT SECRETARIAT ON 24TH FEBRUARY 1989.

Your stay in our State is brief but we shall ensure that it is comfortable and that our discussions are helpful and productive.

The Second Supplementary, Memorandum we have furnished to you today has been prepared on

the basis of the new Government's study of the State's financial situation and of its needs during your award period of 1990-95. It is also based on our philosophy and approach to Centre-State relations. This Memorandum follows the initial Memorandum submitted to the Commission in February 1988 by the previous Government and its First Supplementary Memorandum of January 1989. I shall confine my speech to the major issues dealt with in these Memoranda.

By way of background, I would like to begin by giving you a profile of our State. Tamil Nadu has 7 per cent of India's population but only 4 per cent of the country's area with the result that population density and the man-land ratio are adverse. About a third of our population is urban which necessitates large investments on basic services such as housing, slum imporvement, water supply, sanitation, transport and roads. Except for lignite and some oil deposits, we do not have any significant mineral resources. We are also located far away from the coal belt of India. All modes of irrigation in Tamil Nadu—rivers, tanks and ground water-depend on rainfall in respect of which the State falls in the low-to moderate zone. Tamil Nadu is subject to frequent and prolonged spells of drought as also to floods and cyclones during the north-east monsoon. Surface irrigation potential has already been more or less fully exploited. We have to depend on inter-state cooperation for future development and even for the maintenance of established flows. The agricultural economy is primarily based on paddy cultivation in which there has been no striking growth in productivity comparable to that in wheat. Tamil Nadu has thus to contend with a variety of basic problems such as population pressure, limited resource endowments, and locational disadvantages. Mainly because of these circumstances, Tamil Nadu is among the poorer States in India. Our per capita income is below the all-India average; the poverty ratio is relatively high; and the State has a very high rate of unemployment.

At the same time, Tamil Nadu has been able to maintain a leading position in the industrial map of India although there has been a great deal of slippage in this respect in the last decade. We have made considerable investments on irrigation and power, including rural electrification. This in turn has enabled an extensive exploitation of ground water for promoting irrigation, a development which has not been without its problems. The literacy rate and schooling proportions in Tamil Nadu are relatively high although far behind our neighbouring State of Kerala. The birth rate is on the low side but death rates and infant mortality rates continue to be high. They will need to be reduced in as short a period as possible. In other social welfare sectors such as housing and house-sites, drinking water, nutrition, and the welfare of scheduled castes, scheduled tribes and backward classes, Tamil Nadu has a fair record. We will have to strive hard to improve the access of the people to these basic minimum needs. It is the firm policy of our Government to provide adequate resources, directly and through well-conceived subsidies, to cost-effective welfare programmes that can improve the conditions of life of our people.

The picture I have sketched will indicate that Tamil Nadu does not lend itself to be easily classified either as an advanced State or as a backward one just as, among the developing countries of the world, India itself is in some ways advanced and in many other ways less developed. Given its relatively low per capita SDP ,the high poverty proportion and serious unemployment, it is clear that whatever progress Tamil Nadu has achieved cannot lull us into complacency. We shall have to achieve much more progress on several fronts. For this, our own sustained efforts for resource mobilisation will need to be supported and supplemented with transfers from the Centre.

In this connection, it is a matter of serious concern that Tamil Nadu consistently failed to receive a fair share in Central transfers, whether effected through the Finance Commission or the Planning Commission or by way of non-plan non-statutory transfers, or net Central loans. The data furnished in our Memorandum fully substantiates this. As far as Finance Commission transfers are concerned, the gap-filling approach followed by earlier Commission has had the effect of penalising Tamil Nadu which has made an outstanding effort at resources mobilisation and prudent fiscal management despite its relatively low per capita income. The replacement of the gap-filling approach by the normative approach in your terms of reference should make it possible to redress the past inequity of the prudent being penalised instead of being rewarded. We hope that this aspect will be borne in mind in your report.

In the full text of my speech which has been circulated to you in advance I have drawn attention to a number of reasonable and practical ways in which the Commission could apprach the legitimate claims of the State. Within that framework, I have also indicated the special concerns and problems of Tamil Nadu which need your sympathetic consideration.

The major points contained in my speech relate to

—possible measures for increasing the quantum of vertical transfers, particularly the need to curb evasion of shareable taxes.

—the need to include the corporation tax in the divisible pool.

—our opposition to any proposal to extend the domain of additional

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—the need to adopt normative estimates, without any modification, for tax revenues in the case of overtaxed States such as Tamil Nadu.

—the need to compensate for the entire financial loss on account of the closure of arrack and toddy shops.

—the need to adopt reasonable norms in regard to returns from our State public enterprises, particularly the Electricity Board and road transport undertakings.

—the need to make full allowance for the existing subsidies and social welfare schemes implemented in Tamil Nadu.

—fair and equitable criteria for the sharing of shareable taxes, additional excise duties, and grants in lieu of the repealed tax on railway passenger fares.

—the need for the National Development Council to decide on any changes that are proposed to be made in the procedures and arrangements for plan assistance.

I shall now turn to some of the special problems affecting Tamil Nadu which we have placed before you in our Memorandum. These include (i) drinking water problem in Madras City (ii) grants for slum improvement in Madras city (iii) environmental improvements to water ways in Madras city (iv) school buildings (v) upgradation of judicial administration and (vi) prevention of sea water ingress in coastal districts. Details regarding these matters have been furnished in our Memorandum. We trust that these special problems will receive your full and sympathetic consideration. In this connection, I will be less than frank if I did not express our deep disappointment at the fact that the Commission has ignored the case of Madras for slum improvement while recommending grants of Rs. 50 crores each to the other two metropolitan cities of Bombay and Calcutta, despite the fact that Madras suffers from comparable proportions of slum population dispersed over a large number of slums. Similarly, although Tamil Nadu is not backward in educational enrolment at the primary level, it is backward when it comes to school buildings. In fact, precisely because the State has progressed in primary education that far more attention needs, to be paid to the provision of buildings and other amenities for school going children. We therefore have a legitimate claim to special assistance for these items. May we hope that in these and similar items the Commission will avoid discrimination between the States and allot special grants based on thoroughly objective criteria?

We sincerely hope that your Commission, composed as it is of eminent and experienced Members, will adopt a sympathetic approach to the representation of States as a whole and, within that framework, to the special problems of Tamil Nadu. We hope that your approach will be symmetrical and even-handed in the matter of assessing the receipts and expenditures of the Centre and the States. We hope that you will be fair and equitable in devolving taxes and grants among individual States giving due regard to their special problems.

We also hope that in the desire of reducing the revenue deficit of the Centre your recommendations will not shift an unsupportable burden to the accounts of the State. This is of fundamental importance because the instrument of deficit financing which is available to the Centre is not open to the States. We will therefore have to live within the means provided to us. These means will have to be liberal enough to meet our vast and growing responsibilities for the welfare and development of our people. In this context, while we are ourselves keen on reducing revenue deficits to the maximum extent possible, I would urge the Commission not to set any unduly harsh targets for wiping out revenue deficits on the part of the States. Adjustment towards this desirable end will have to be phased over a realistic and reasonable period of time. The process of adjustment should not be compressed to an extent where it will seriously damage existing levels of welfare. As the Commission is aware, this in essence is the plea that is put forward by developing countries before international financial institutions in the matter of achieving balance in their external account. The Government of India has been in the forefront of developing countries in arguing for adjustment with growth and social justice before international organisations. We would urge that the same rationale should apply to Union-State fiscal transfers as well.

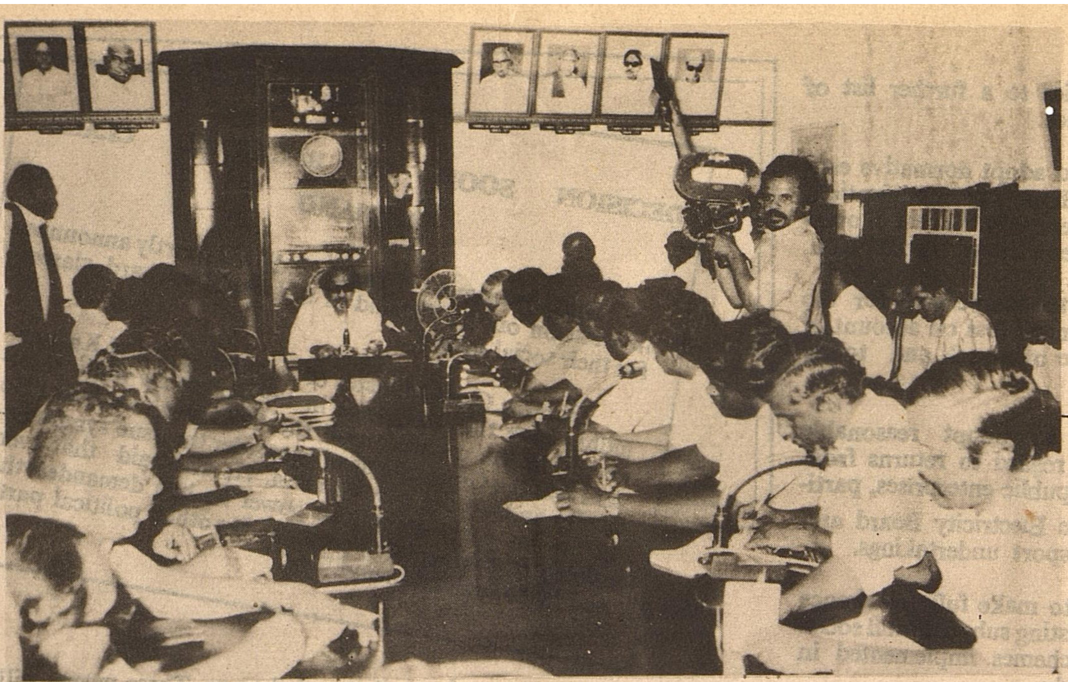
Once again, let me wish all of you a useful and pleasant stay in Tamil Nadu. I have only touched upon our major concern in this speech. They have been elaborated in the Memoranda furnished to you and we shall be supplying further clarifications and detail during our discussions.

Thank you.

DECISION SOON ON BACKWARD CLASS DEMAND

The Government of Tamil Nadu will shortly announce its decision on the demand of the most backward classes for their social justice.

Hon'ble Chief Minister of Tamilnadu Dr.M.Karunanidhi gave this assurance in the Assembly while intervening in the discussion on the Governor's address. He said that the Government will consider the issue sympathetically and do the needful soon. He also said that even before his party coming to power he had demanded the release of the arrested persons. No other political party had made such a demand.



Chief Minister to seek Special Assistance of Rs.200 Crores from Centre

On 27,1.'89 Dr.Kalaignar M.Karunanidhi shortly after taking over, addressed his first Press Conference at Secretariat.

Financial Position

Describing the condition of the Government, the Chief Minister remarked that he was inheriting an 'Empty' treasury and empty granary' and therefore he said that he would seek the Centre's financial assistance to manage the situation.

The Chief Minister remarked "The situation is worse than what we anticipated". He said that when the D.M.K Government was dismissed in 1976 the cash balance left by them in the Government Treasury was Rs.14Crores. But when we are entering the Fort Saint George, in 1989 there is a deficit in balance of Rs. 70 Croresin the Government Treasury, and the years deficit alone is likely to touch Rs.400 Crores. This was the comment that the Chief Minister made with regard to the financial position of the Government.

Special Assistance

In this context the Chief Minister said that he would remind the Prime Minister Thiru Rajiv Gandhi of his own assurance made to him in the message of congratulation. While congratulating him, the Prime Minister assured his continued support to the people of TamilNadu in their efforts for progress, prosperity and social justice. He would also remind the earlier request of the Governor for a special aid of Rs. 200 Crores. Who was responsiblefor the treasury becoming empty ?When this question was asked to the Chief Minister, he immediately referred to the Republic Day speech of the Governor, who said that the budget deficits had been continuing for a few years and at one stage, the state's resources had been wasted without making any efforts to raise adequate revenue.

Prohibition

With regard to prohibition, the Chief Minister said that there was no proposal to reopen arrack shops. In fact appropriate action would be taken to plug loopholes while implementing prohibition.

Thiru Guhan as Adviser to C.M

The Chief Minister also referred to the ways to improve finances of the State. First of all he expressed his intention to have one Adviser to advise him on matters relating to Finance. For this he has chosen one Thiru S.Guhan, Former Finance Secretary to the Tamil Nadu Government as Adviser to the Chief Minister.'

Administration

To improve administration the Chief Minister said that the top officials should provide necessary guidance for the administration tobe fair and efficient. In order to make administration effective, the officers posted to one place would not be disturbed for three years but the progress shown by the officer would be taken into consideration every year. The Chief Minister also asserted that the responsibility would be fixed on the concerned minister and the Heads of concerned departments.

Water Supply

The Chief Minister also mentioned during his Press Conference that steps would be taken to ensure water supply throughout state and put down corruption. However he has requested to give a 100 day grace period for him to look into all aspects of administration, because such a grace period was usually given in foreign countries to a new Government to prove its worth.

Discussion on Reservation for Backward Classes

Regarding the Vanniar problems Dr.Kalaignar said that he would discuss the issue with the leaders of all backward classes about their problems,grievances with regard to education and employment. With regard to interim relief he said that the Government would not announce any such interim relief to Vanniar, as the issue was not a labour or wage dispute. The principle had already been accepted and only after a detailed discussion, a solution could be found.

MORE POWERS FOR LOCAL BODIES

The Government would soon announce its decisions to enhance the powers of the elected local bodies. Hon'ble Chief Minister, Dr. M.Karunanidhi said while inaugurating a conference of panchayat union chairmen held at Kalaivanar Arangam on 7th February 1989. He said that the local bodies would be given additional financial resources to implement the scheme.

He said that the elections to the various municipal corporations Madras, Madurai and Coimbatore would be held early. He emphasised the need for elected representatives who can give better civic amenities. Therefore the elected representatives were absolutely necessary.

In this context, the Chief Minister said that he still remembers a meeting he had in the year 1976 in which he has spoken about enhancing the powers of panchayat union chairmen.

He said that the Centre's move for district level planning were only attempts to curb the powers of the States especially at a time when the States were asking for more powers. This infact was against democratic norms. He further said that the ministerial committee that has been appointed on streamlining the Panchayat Raj system in the country should not be partisan.

Thiru Veerapandi S.Arumugam, Minister for Local Administration presided over the function. He said that there are 12,616 panchayats, 646 town panchayats, 384 panchayat unions and 18 town ships. After 1976 the powers of the panchayat union councils had been taken away". He cited the reasons why many schemes did not reach the people properly for the past few years? Various departments like agriculture, irrigation, drinking water and animal husbandry had been taken out of the purview of panchayat unions.

Panchayat Union chairmen from all political parties attended the conference.

Thiru S,Narayan, Commissioner and Secretary, Rural Administration Department,welcomed the gathering. In his address he said that the conference had been organised to know

the view of the panchayat union leaders on how to imprcve the working of the system.

The Ministers for Agriculture Public works, Adi Dravidar Welfare, Electricity, Animal Husbandry and Handlooms and the Chief Secretary to Government attended the function.

The Chief Minister said that he was monitoring it more out of pity on the Centre than anger. When State Governments and Local bodies were willing to share the budren why should the Centre take upon itself more and more responsibilities? "If the burden increases beyond a limit either the neck or thebackbone will break" he said.

While addressing a conference of Chairmen of Municipal Councils, held under the auspices of the Municipal Administration and Water Supply Department at Rajaji Hall on 7th February 1989 he said that he realised fully the importance of local bodies and assured the gathering that all these powers taken away in recent years would be restored to enable the Chairmen and Municipal Councils to serve the people in a better way. The Chief Minister said that they had been forced to keep themselves busy with only drafting petitions and presenting them to the Government. Now the Chief Minister has invited them for discussing their problems and finding suitable remedies. He also indicated that their term of office, would be extended.

The Local Administration Minister Thiru Veerapandi S. Arumugam, said that the Government was paying more attention to improve the status of the Municipal Councils. It will also try to improve their financial resources. He said that the Chief Minister in his first cabinet meeting devoted most of his time in discussing the various problems faced by panchayats, panchayat unions and municipalities and the ways and means to take their function more effectively. He said the Chief Minister wanted the municipal chairmen to come up with concrete proposals for augmenting the finances of local bodies without unduly increasing the burden of the people.

The Commissioner and Secretary, Municipal Administration and Water Supply, Thiru R.A.Seethaıam Das IAS, said that the Government was trying to help local bodies to improve their finances through remunerative projects with world Bank assistance. and sought their cooperation to implement the various Government programmes.

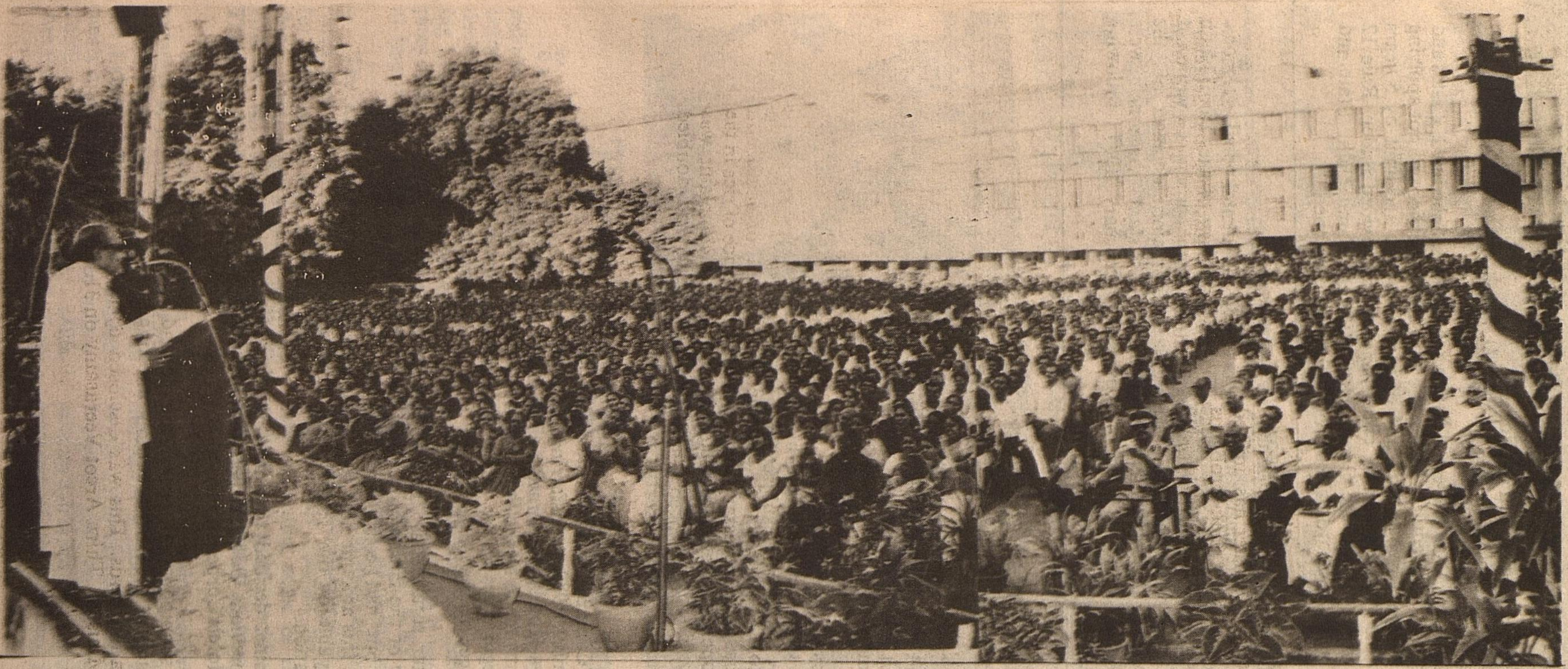
STEPS TAKEN BY THE TAMILNADU GOVERNMENT TO MAINTAIN RICE PRICE

Hon'ble Food Minister Thiru "Arcot Veerasami told in the Assembly that the Government of Tamilnadu has taken necessary steps to keep up the price of rice in the open market. He disclosed this when a complaint was made in the Assembly that the price of rice had doubled within a few days of the new party assumed office.

The Minister denied it and said though the Central Government has increased the price of rice, the Chief Minister announced that the price of rice in the public distribution systems would not be increased. He has instructed the Food Cell, CID to probe into it if some merchants had hiked it. He also met the merchants in this regard and took steps to bring down the price.

DUPLICATE RATION CARDS

Eighty Thousand duplicate ration cards have been seized in the raid conducted in Madras for 5 days. These cards have been in use from 1982 onwards. The distribution of essential commodities have been stopped for the above cards forthwith. Action will be taken against those in possession of duplicate ration cards and those indulging in any malpractice. The Tamilnadu Government have proposed to send officials throughout Tamilnadu to detect duplicate ration cards. This was disclosed by the Hon'ble Food Minister Thiru Arcot Veerasamy on 31.1.'89 in Madras.



Chief Minister annuls action against Secretariat Association members

Hon'ble Chief Minister Dr.M. Karunanidhi has annulled the substantive punishment imposed on several members of the Tamil Nadu Secretariat Association for their agitation in the year 1985.

The Chief Minister publicly announced this at a reception given to him and his cabinet colleagues by the Secretariat association on 6th February 1989 at Secretariat Military grounds.

The Secretariat Association launched an agitation in December 1985 with the state-wide teachers strike, and for this the then government suspended 35 members of the association and cancelled the association's recognition.

The Government revoked the suspension of 23 of them after six months and that of the others after 17months. The then president of the Association Thiru M.A.Rahim, who had not been suspended, went on unauthorissed leave owning moral responsibility for the action against the members and rejoined duty after all the suspensions were revoked.

The Chief Minister said that the increment and other pensionary benefits lost due to the substantive punishment would be restored to them.

The present government would not victimise any of its employees, and definitely his Government would not adopt a "sadistic attitude" towards them.

In a statement, the association president Thiru C.D.V.Gnanaraj and Secretary Thiru S.Namasivayam thanked the Chief Minister for the decision taken. The announcement made by the Chief Minister is a clear indication of a government that worked with a humanitarian approach.

The decision would help 13 members including former association president Thiru Rahim. They would get their pay, increment and pensionary benefits for the 17 month suspension period.

Thiru Gnanarj and Thiru Namasivayam in the course of their speech praised the Hon'ble Chief Minister. They said he was a man of "extraordinary administrative capabilities.

AGE LIMIT INCREASED FOR DIRECT RECRUITMENT

The Government, after careful consideration, have decided that the maximum age limit for direct recruitment to all post under the Government of Tamil Nadu be increased from 28 years to 30 years. The revised age limit of 30 years shall be applicable to all posts wherever such age limit is now below 30 years.

The Government also direct that wherever the age limit for a post is higher than 30 years, such higher age limit shall continue.

In respect of Backward Classess, Scheduled Castes and Scheduled Tribes, the existing concessions of not applying the age limit and of increasing the age limit by 5 years under certain circumstances as provided under Rule 12 (d) of the General Rules for the Tamil Nadu State and Subordinate Services shall be continued.

Special pay for Civil Surgeons

The Tamil Nadu government has granted a 'special pay' of Rs. 150 per month to all civil surgeons. The government order, dated 30th January 1989 effective from January will benefit more than 1,000 civil surgeons in the departments of medical education, medical services, family welfare, primary health centres, public health and preventive medicine as well as dental civil surgeons. Thiru N.Ramadas, General Secretary of the Tamil Nadu Medical services Association thanked the Government for having accepted their major demand of the Association. Over 6,000 assistant surgeons were granted this special pay since February 1987 following a one-day strike.

Cabinet decision on the allotment of 324 grounds of land for Construction of a Hotel

The Tamil Nadu Government cancelled the allotment of 324 grounds of land in the heart of the Madras city to a joint sector firm with NRI participation for construction of a modern hotel complex.

The allotment, made by the previous Government to the Pallava Hotels Corporation headed by Dr.Palani Periaswamy had been a controversial subject for some time Environmentalists objected to the construction of a massive hotel complex in the land previously occupied by the Corporation Zoo, because it would seriously affect the environment. Further it was alleged that the valuable land had been given to the above party at a throw-away price.

The Tamil Nadu Cabinet examined the orders issued in August and December 1987 transferring the land in question to the Pallava Hotels Corporation. The Cabinet considered the criticisms made by the Public and the news papers about the irregularities in the above transaction and the possible danger to the environment.

The Cabinet, after scrutinising the file concerned pointed out the value of the land would easily be of the order of Rs. 40 crores, but had been given away for Rs. 1.76 crores; and even this amount had to be adjusted as the equity capital payable by the Tamil Nadu Tourism Development Corporation.

Therefore the cabinet decided to annul the relevant orders passed by the previous Government and take back the land given to the Hotels Corporation.

Fresh orders will soon be issued for utilising the land in question for the benefit of the citizens without affecting the environment.

Three Textile Mills to be re-opened

Three of the 25 closed textile mills in TamilNadu will be re-opened before March 15, according to a decision taken at a tripartite meeting held on 25-2-89 under the auspices of the State Government aimed at improving labour relations.

The 7.5 hour session was presided over by the Hon'ble Minister for Information and Labour Thiru Pon. Muthuramalingam, with the Hon'ble Minister for Handlooms Thiru S. Thangavel participating.

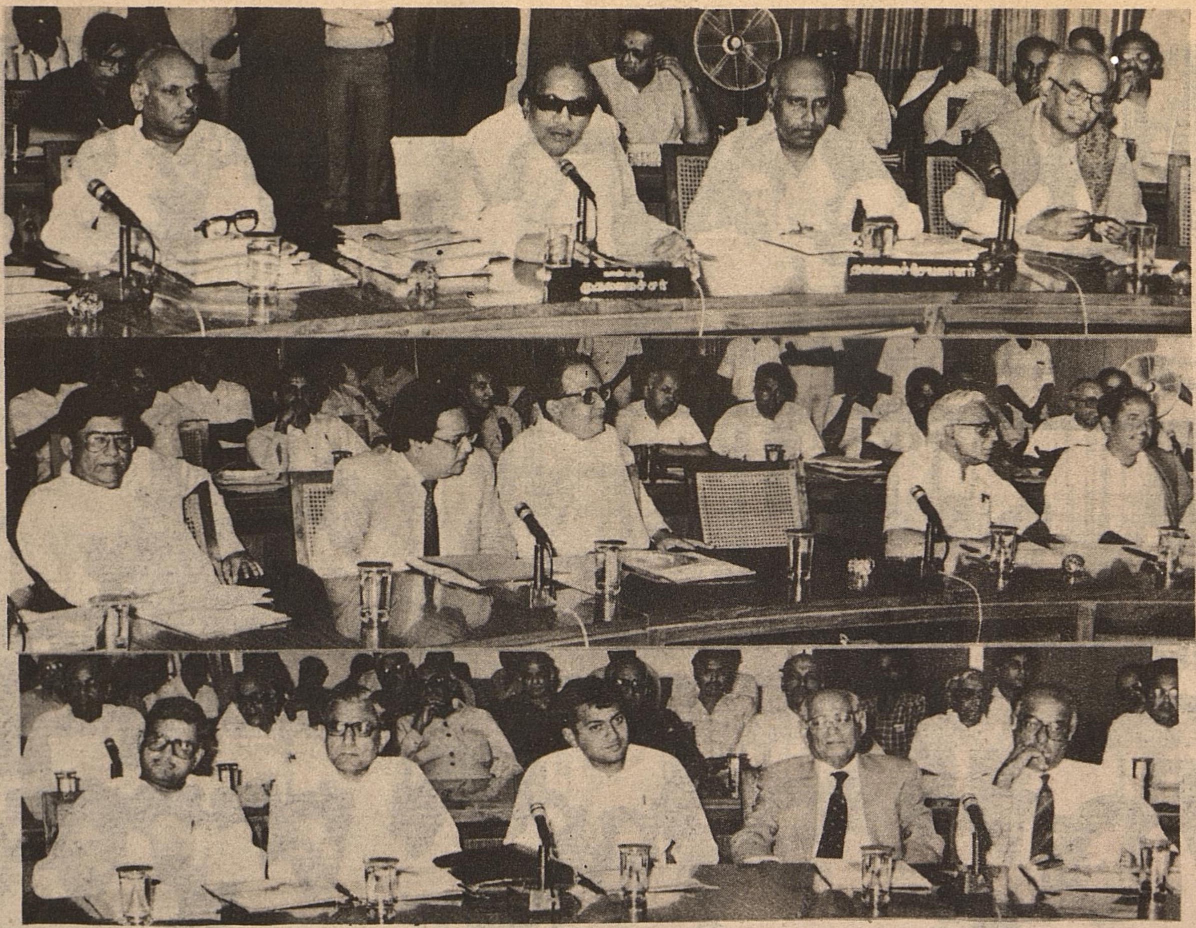
The discussion touched on the question of reopening of the closed textile Mills. At the suggestion of the Labour Minister, the managements and workers of three mills—Tamil Nadu Spinning Mills, Avanishi, KGS Spinners and Vasudeva Textiles, Coimbatore—agreed to resume work.

The Minister for Information and Labour said that it was decided to hold separate talks between March 15 and 20 on the remaining closed textile mills so as to get them reopened on a time-bound schedule. Negotiations would be initiated soon regarding some of the major engineering units incluing Metal Box and Standard Motors.

The trade union leaders made a general complaint about non-implementation of labour laws and lukewarm attitude of officials. The Minister said he had agreed to take up a detailed examination of the working of the various laws and steps to remove the shortcomings at the earliest.

Labour Leaders, numbering 75 belonging to AITUC, INTUC, CITU HMS, National Labour Organisation, United Trade Union Congress, Anna Thozhilalar Peravai and Labour Progressive Federation participated in the discussion. On behalf of employers 13 representatives of All India Manufacturers Organisation, Employers' Federation, SISMA SIMA and Engineering Industries Association attended the meeting.

Labour representatives were informed at the meeting that the State Government had revised the minimum wages for beedi workers to Rs. 11.05 from Rs. 9.05 effective from February 23.



The Chief Minister and Industrialists Meet

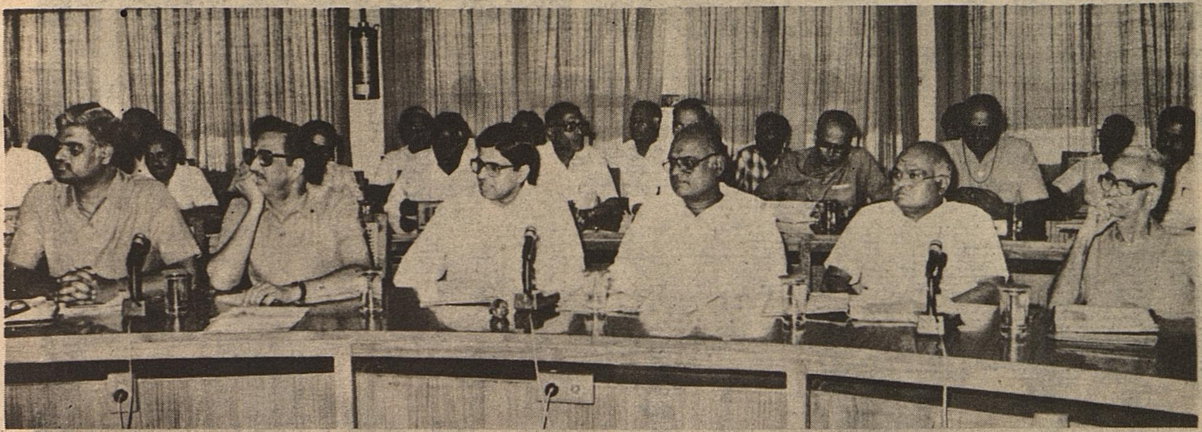
The Chief Minister Dr.M.Karunanidhi convened a meeting of Industrialists at Secretariat on 6.3.89. It was a finest meeting attended by a large number of Industrialists. The following top Industrialists participated: Thiru Suresh Krishna, Thiru A.Sivasailam, Thiru P.Maruthai pillai, Thiru D.C.Kothari, Thiru T.S. Ranganathan, Thiru A.M.M.Arunachalam, Thiru N.Mahalingam, Thiru M.A.Chidambaram, Thiru K.Mammen Mappillai, Thiru T.T.Vasu, Thiru Ram.V.Thyagarajan, Thiru A.L.Mudaliar, Thiru M.M.Hashim, Thiru A.N.Sreenivasa Rao, Thiru M.S.Parthasarathy, Thiru Hari Easwaran, Thiru S.Ram, Thiru Ashok Kumbhat.

The State Planning Commission:

The Tamil Nadu Planning Commission, which was started during the previous DMK Government, remained dormant and inactive for many years. This will be reconstituted with the Chief Minister as its Chairman. Eminent personalities from various fields such as Economic, Scientific, Agricultural and other experts will be included in it as members. This commission will hereafter function as "think-tank" for accelerating the pace of industrial and economic growth of TamilNadu.

Appeal to Industrialists:

Addressing the Industrialists the Chief Minister called upon them to cooperate with the government in its attempt to recapture and regain the top position again in the industrial map of the country. The Chief Minister dwelt at length about the new government policy. A state level industrial advisory committee for industries would be set up to advise the functioning of industrial concerns. He invited industrialists to suggest names for members to include them in these committees. He also told them that they could easily meet him and discuss the problems connected with the industry. The Government also would seek the help of top industrialists as and when necessary. He also expressed that he was not against inviting Industrialists from outside state but his main concern would be one of ensuring that industrialists from TamilNadu should not go out of TamilNadu, just because, opportunities were lacking in this State. In this connection, he pointed out that he was extremely happy to see before him the new generation of Industrialists belonging to the earlier generation of Industrialists with whom he was very familiar. He assured



the industrialists of the Government help to make the raw materials available to them.

Industrialists suggestions:

A number of suggestions were made by the industrialist to improve the industrial climate. Everyone suggested the Chief Minister, power cut or voltage fluctuations should not be imposed, because, the Industries would come to a screeching halt, if there was no electricity. Further the production will suffer, which will lead to unemployment and ultimately the nation as a whole will suffer. Other suggestions made at the meeting, were the simplification of factory and other acts, tax-laws. Simplification of procedures for clearance of applications for setting up industrial units and loan and setting up a coal-dump within the State.

Reason for stagnation:

The Chief Minister pointed out the reasons for the State's industrial stagnation. The reasons attributed for this state of stagnation are many. In the past decade, there was no worthwhile investments in the central sector. Moreover, State sector alone could not make spectacular growth in TamilNadu. The State also faced chronic power shortage, lack of infrastructural facilities like land, water and transport.

Gas based Industries:

The Chief Minister, who is incharge of the portfolio of Industry said that the centre should consult the State Government, when establishing gas based industries. He felt that the gas based units could be started, using the gas available in the Narimanam and Port Novo belts.

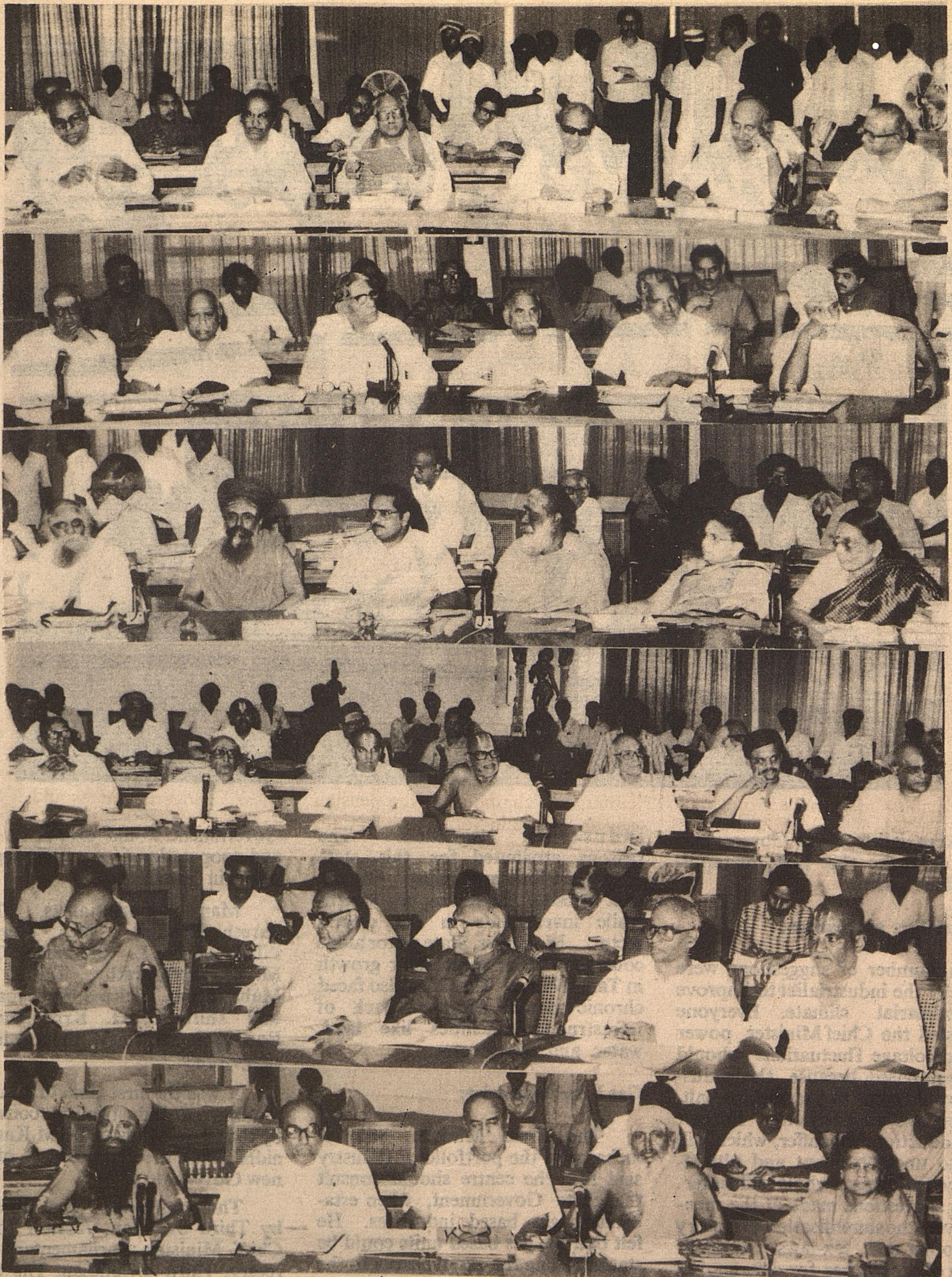
Industrial peace :

The Chief Minister called upon the industrialists to increase the production of commodities in their units and he assured them that the Government would extend its help and cooperation to ensure industrial peace in TamilNadu.

Many industrialists, Thiru Suresh Krishna, Thiru Marudha Pillai, Dr. A. L. Mudaliar, Thiru M. S. Parthasarathy, Thiru T. S. Mahalingam, Thiru S. Viswanathan and Thiru C. H. Krishnamurthi Rao spoke and gave their valuable suggestions.

It was the first time that such a meeting of Industrialists convened by the Chief Minister Dr.M.Karunanidhi after the formation of the new Government.

The conference was attended by Thiru S.Guhan, Adviser to the Chief Minister, Parliamentary Secretary, Thiru L.Ganesan, The Chief Secretary to the Government, the Industry Secretary Thiru Nambiar I.A.S., Finance Secretary Thiru Narayanan I.A.S. Home Secretary Thiru R.Nagarajan, I.A.S. TNEB Chairman Thiru T.V.Antony I.A.S. and other Senior officials of the Government.



The Hon'ble Chief Minister of TamilNadu, Dr.M.Karunanidhi, with the Religious Leaders and Mutts' Heads at a Conference of Hindu Religious Leaders held at the Secretariat on 10th March 1989. Hon'ble Minister for Hindu Religious and Charitable Endowments, Thiru K.P.Kandasamy, Hon'ble Minister for Education Thiru K.Anbazhagan, Hon'ble Minister for Transport, Thiru M.Kannappan, the Chief Secretary to Government, Thiru M.M.Rajendran IAS, and HR and CE Secretary, Thiru K. Aludiapillai also attended the Conference.

Reception to Chief Minister by Reporters' Guild

A reception was given to Honourable Chief Minister of Tamil Nadu Dr. M. Karunanidhi and his cabinet Ministers by the Madras Repoters Guild on 5th February 1989. Thiru Jaganathan, president of the Guild and Thiru M. Subramaniam, Guild's Secretary garlanded the Hon'ble Chief Minister and other Ministers on behalf of the Reporter's Guild.

Guild President Thiru S. Jaganathan pleaded for a housing colony for journalists. He informed the Chief Minister about 250 journalists had applied for their own houses under a co-operative scheme formulated by the Reporter's Guild and the Madras Union of Journalists. He also said that the States like Kerala, Andhra Pradesh had such a housing scheme. Therefore he made an appeal to the Chief Minister to allot the required land for them at a central location in the Madras city for the above purpose.

The Guild's Secretary Thiru M. Subramaniam appealed to the Chief Minister that the present income ceiling of Rs. 10,000 per annum for eligibility to the pension as also certain other restrictions should be removed.

Addressing the Madras Re-Reporter's Guild, the Chief Minister Dr. M. Karunanidhi promised that the new Government would favourably consider relaxing the norms for eligibility to the pension scheme, to ensure that it benefited all those who retired.

The Chief Minister announced during his speech, that the Tamil Nadu Government pension for journalists will be raised from Rs. 250 to 400. Accordingly the Government of Tamil Nadu has issued orders on 2nd March 1989 raising the pension for the retired journalists in indigent circumstances from Rs. 250 to Rs. 400 per month, for life, with effect from 1st March 1989.

The Chief Minister spelt out the policy of the new Government towards the press. "We will ensure no discrimination shown to any newspaper with regard to the release of government advertisements." The Government would extend advertisement support to the Guild's organ 'Newsman', since this was the main source of income for the reporter's body.

The Chief Minister said that other demands such as the grant of land for locating the guild premises inside the government estate, issue of bus passes to all reporters etc. would be considered sympathetically by this government.

The Chief Minister made it clear that he would not have any intermediaries stand between him and the reporters. They can talk to him over phone. He said: " If you ring me up you will hear the words from the other end 'Karunanidhi speaking."

Chief Minister's appeal to the Press:

The Chief Minister said : "I appeal to you to lend me your hands in running the government in the larger interests of the state, the country and society at large."

KAKATIYA COINS FOUND IN TAMILNADU

The accidental find of some gold coins and a few pieces of gold bars has led the police and revenue officials to a village called Varadarajan pettai, about two kilometres south of Kurinjipadi in South Arcot District.

The enquiry revealed that a villager who found a small earthern pot in downward position while he went to his land, managed to take it in full shape sealed with mud. As he was not able to open it, he broke the pot by throwing it on a granite slab in a corner of the village tank. To this surprise he found a number of gold coins strewn all around him. Suddenly he collected as much as he could, took them to his house and kept them under the firewood in front of his house and went away in search of work.

The womenfolk who saw him collecting some gold coins, had rushed to the spot and had picked out one or two coins each. The news spread as wild fire and finally reached to the police station at Kurinjipadi. Police rushed to the spot and acquired the coins. Then they informed the matter to the revenue officials.

NATANA. KASINATHAN
Director of Archaeology,

Eventually the coins were brought to the office of the Tahsildar, Cuddalore and kept in safe custody at the sub-treasury.

This discovery was reported to the press by the Tahsildar stating that all these coins seem to have belonged to Vijayanagar Period.

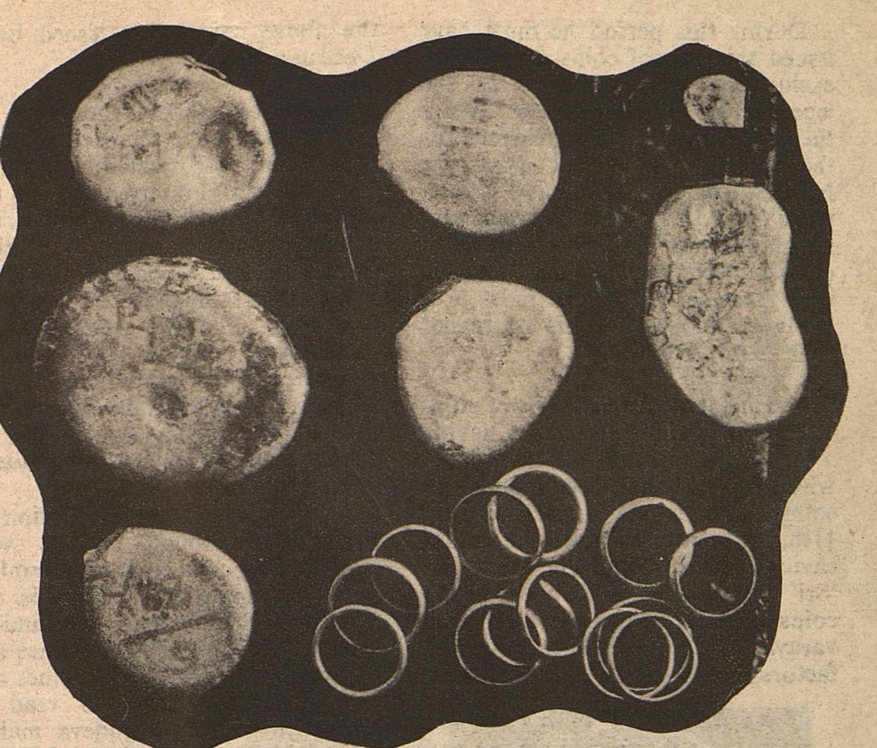
Having read the news, the Registering Officer, Chidambaram was directed to examine the above coins and asked to send a detailed report. On his examination he found that there were three varieties of coins, one of Gangas, and the other of Vijayanagar period. The third variety puzzled him. So the matter was brought to the notice of the Director of Archaeology, Madras, who on his personal examination, found that the first variety belongs to

Gangas, the second variety to Kakatiyas, while the third variety to Vijayanagar period. There are also seven pieces of gold bars and thirteen mettis (rings worn on the toe fingers of foot) made of gold.

Though all these coins are important as far as the historical point of view, the coins of Kakatiya are more noteworthy as it is the first time that such of these coins are discovered in Tamilnadu.

The obverse of Kakatiya coins bear the legend 'Ganapa(ti)' in Tamil character. 'Sri' in Telugu character is found as prefix and suffix of that legend. The figures of a sun and moon, an umbrella and Krishna playing on the flute are also found. On the reverse there are some zigzag

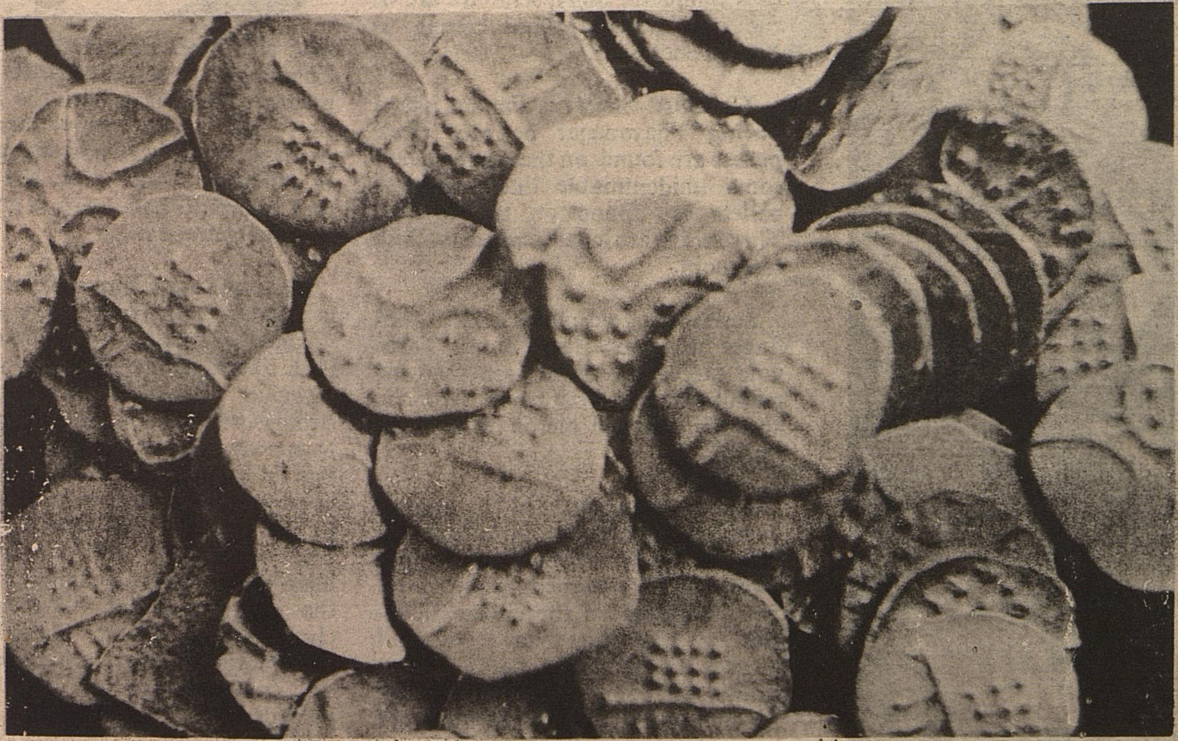
lines. The legend is written in typical Tamil letters of chola period. On palaeo-graphical grounds it can be dated to 13th century A.D.



The legend 'Ganapa(ti)' obviously denotes Kakatiya king Ganapathi. Hence these coins may have been issued by Ganapathi who ruled Andhra during 13th century. It is believed that he had captured Kanchi puram in Tondaimandalam and stayed for sometime at Srirangam. Two inscriptions assignable to the period of Ganapathi, Kakatiya king, are engraved on the north wall of the second prakara of the siva temple of Ekambaranatha at Kancheepuram. The first epigraph, which is written in 17 sanskrit verses is dated in Saka 1172 corresponding to 1250 A.D. The cyclic year sowmya is also given. It refers to the gift of village Kalathur which abounds in grain for conducting the worship with great splendour by the illustrious Samanta Bhoja, the Minister of Ganapathi, to the God who resides in the Ekambara temple.

The other inscription written in Tamil character is also dated to Saka 1172 and seems to refer the same matter as far as the contents are concerned .This inscription also mentions the gift of the lands of the village Kalathur, having exempted its devadanam and tiruvidaiyattam lands, to the god of Tiruvekambamudaiyar at Kanchipuram, of Eyirkottam in Jayankondacholamandalam for offering of Ganapathidevan sandhi wihch was instituted by king Ganapathi himself (namperal amudu seydarulukira Ganapathidevan sandhikku)

The Tamil inscription alludes the arrival of Kakatiya king Ganapathi to Kanchipuram by mentioning the institution of a sandhi called Ganapathi sandhi made by king Ganapathi himself (Namperal). Hence it is obvious that Ganapathi had visited Kanchipuram.



During this period he must have issued this type of coins as currency exclusively for Tamilnad. as the legend is in Tamil character. Hence this find forms the firm evidence for the extent of his rule upto the Northern part of Tamilnadu. Ganapathi and his vassal Viragandagopala seemed to have been conquered over by Vikrama Pandya who ascended the throne most probably in 1250 A.D. in his 8th regnal year i.e.in 1258 A.D.

The metal of these coins is of gold. These are in different shapes having a cavity at the centre. It is not known why this cavity had been made. The coins of Kadambas, issued during 11th, 12th centuries, also have similar cavity at centre. Similarly, the letter, 'Sri' as prefix and suffix occur in the coins of western Chalukya and Yadevarayas of Devagiri. The above two factors also confirm the fact that the above coins were issued by a Deccan ruler.

Some years back, the coins of Prataparuda were reported to have been found in Tamilnadu by Thiru. I.Mahadevan. Prataparuda was the successor of Rudramba who was the daughter of Ganapathi. As king Ganapathi had no male issue he is said to have anointed her daughter Rudramba. She also seems to have had no male heir and so adopted her daughter's son Prataparudra as her succeessor. Prataparudra is reported to have conquered a large number of distant countries on his Vijayayatra or grand tour.

A lone fragmentary inscription of Prataparudra found on the west wall of the second prakara of Jambukeswara temple near Trichy is engraved in Grantha character and in Telugu language. Only two lines are found, of them half of the lines are visible. It is possible to read as 'Kakatiya Prataparudradeva maharajulu'. Hence, the impact of Kakatiya rule during pratapardra's period also seems to have been felt in Tamilnadu.

The other variety that are believed to have been issued by Gangas has a caparisoned elephant turning to right on the obverse and floral design on the reverse. Six coins are found in this find. Similar coins have already been found in different parts of Tamilnadu. Some scholars are of the opinion that these belong to Kongu cheras.

The third variety is Fanam issued during Vijayanagar period. Few pellets are found on the obverse and some unidentifiable lines wih few pellets are found on the reverse. These coins are locally called as Chilli seed coin.

Seven raw gold pieces and 13 foot finger rings are also found. These gold pieces may have been used for manufacturing ornaments like the above mentioned mettis (foot finger rings)

The revenue name of the present Varadarajanpettai is Ayan Kurinjipadi (i.e.old Kurinjipadi). A mound known as Maligaimedu is lying on the eastern side of the village. Villagers say that they had collected number of earthern pots, stone grinders and some objects of historical interest. One such earthern pot

has also been collected recently. Therefore it is certain that this maligaimedu must have been the habitation site where some merchants perhaps have lived possessing coins of different dynasty.For, the above find is said to have been found near this maligaimedu.

The Ayyanar temple of this village is situated on the western bank of the village tank. It gives a picturesque look to this village. A stone image of Ayyanar seated on an elephant is being worshipped in the Garbhagriha It appears not of very old. but the one on the left side of this image is apparently an old image belonging to the typical chola period. Hence, there must have been an Ayyanar temple from chola age.Simultaneously the antiquity of this village goes to chola period giving room to the possibilities of discovering the coins of contemporary or still earlier periods.

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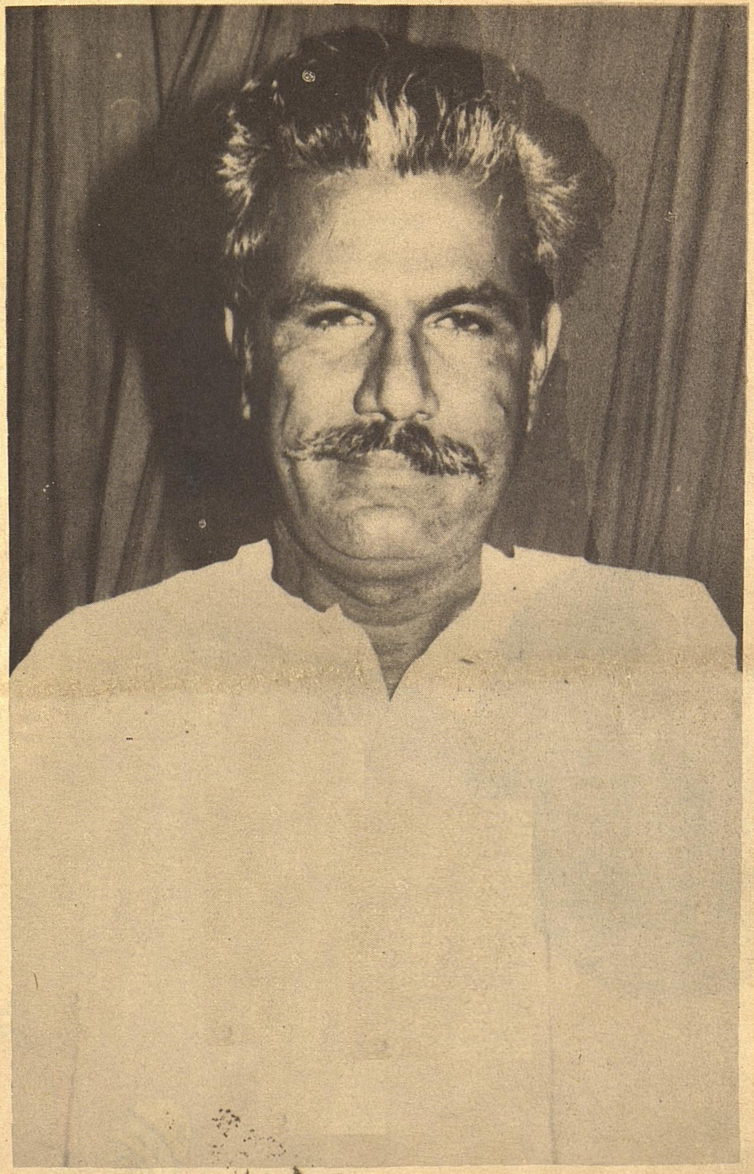
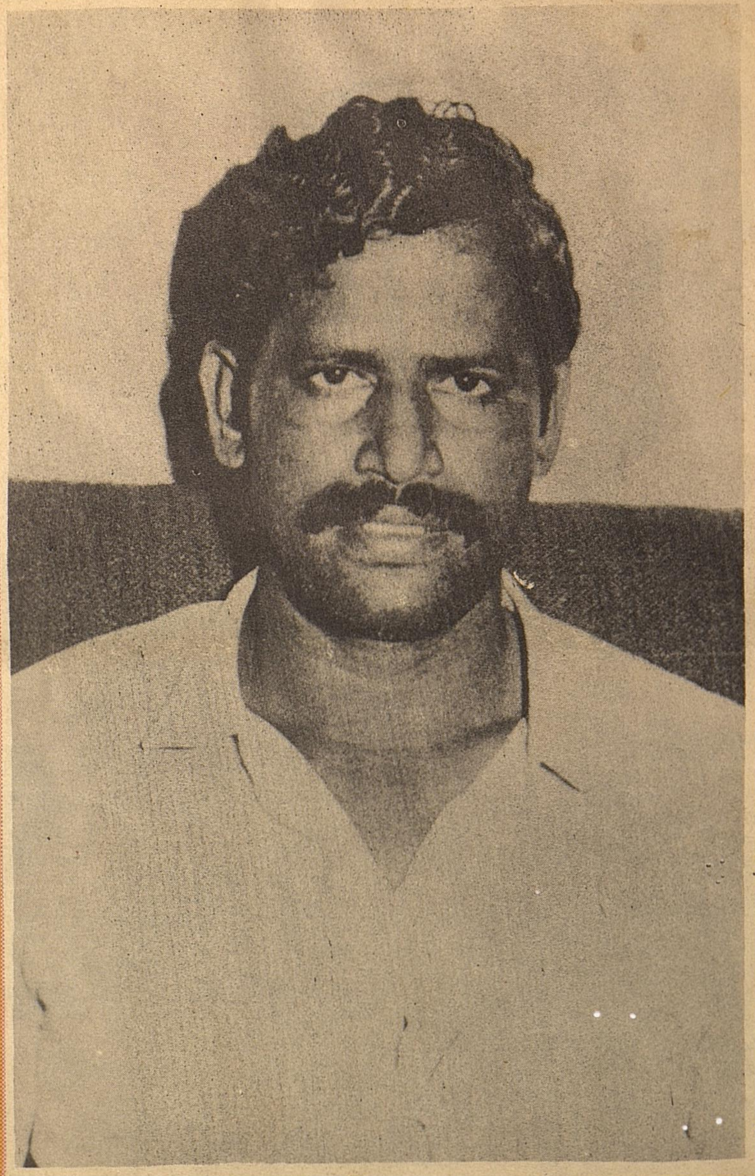


Hon'ble Speaker of the Legislative Assembly Dr. Tamilkudimagan.



Hon'ble Deputy Speaker of the Legislative Assembly Thiru P. Duraisamy.